

By Mr. WOLCOTT:

H. Con. Res. 155. Concurrent resolution to continue the Joint Committee on Housing beyond March 15, 1948, and for other purposes; to the Committee on Rules.

By Mr. BOGGS of Louisiana:

H. Res. 494. Resolution creating a select committee to attend the meeting of the Parliamentary Congress for the Constitution of a United States of Europe; to the Committee on Rules.

#### MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of Puerto Rico, memorializing the President and the Congress of the United States to include Puerto Rico in the Housing and Rent Control Act of 1947; to the Committee on Banking and Currency.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BROPHY:

H. R. 5743. A bill for the relief of Mrs. Priscilla Louise Davis; to the Committee on the Judiciary.

By Mr. McMAHON:

H. R. 5744. A bill for the relief of Perec Poniemonski; to the Committee on the Judiciary.

By Mr. PHILBIN:

H. R. 5745. A bill for the relief of Oliver F. La Tour and Marie L. La Tour; to the Committee on the Judiciary.

By Mr. REDDEN:

H. R. 5746. A bill for the relief of Mrs. Grace B. Jones; to the Committee on the Judiciary.

#### PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1497. By Mr. BRADLEY: Petition of Mrs. H. E. Applegate and 27 other residents of South Gate, Calif., urging the enactment of a system of universal military training; to the Committee on Armed Services.

1498. By Mr. ELSTON: Petition of 33 employees of the inquiry section, post office, Cincinnati, Ohio, in support of a \$1,000 increase in compensation for postal employees, retroactive to January 1, 1948; to the Committee on Post Office and Civil Service.

1499. Also, petition of Steven E. Steffan and 47 other citizens of Cincinnati, Ohio, and vicinity, supporting S. 1813, a bill to reduce postage rates for relief packages to Germany and Austria; to the Committee on Post Office and Civil Service.

1500. By Mr. FORAND: Resolution of the Rhode Island General Assembly, commending the public service of Col. Davis Gorham Arnold, manager of the United States Veterans' Administration regional office in Providence; to the Committee on Veterans' Affairs.

1501. By Mr. HARLESS of Arizona: Petition of the Arizona State Legislature relating to ground-water development on Government lands; to the Committee on Public Lands.

1502. By Mr. LEFEVRE: Petition of Leonard J. Supple and other residents of Dutchess County, N. Y., concerning the Palestine question; to the Committee on Foreign Affairs.

1503. By the SPEAKER: Petition of Thomas A. Crowley Post, No. 104, American Legion, Walpole, Mass., petitioning consideration of their resolution with reference to endorsement of universal military training; to the Committee on Armed Services.

## SENATE

MONDAY, MARCH 8, 1948

(Legislative day of Monday, February 2, 1948)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Eternal God and our loving Father, we come to Thee this day in the name of Jesus Christ, who is the lover of our souls and the Saviour of all mankind.

May we feel His love and respond to it. May His Spirit shine into lives that are darkened by worry, doubt, or fear.

Strengthen and guide all those who are sincerely trying to do what is right, and make it plain.

Make us more mindful of the needs of our fellow men and less absorbed in selfish concerns, that Christ may approve and bless what we do here this day.

We ask these things in His name. Amen.

#### THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Friday, March 5, 1948, was dispensed with, and the Journal was approved.

#### MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On March 5, 1948:

• S. 1252. An act making certain changes in the organization of the Navy Department, and for other purposes; and

S. 1961. An act to amend the act of December 3, 1945, so as to extend the exemption of Navy or Coast Guard vessels of special construction from the requirements as to the number, position, range, or arc of visibility of lights, and for other purposes.

On March 6, 1948:

S. 970. An act for the relief of Mr. and Mrs. Harold T. Prosser.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 203) to increase the equipment maintenance of rural carriers 1 cent per mile per day traveled by each rural carrier for a period of 3 years, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. REES, Mr. COLE of Missouri, Mr. SADLAK, Mr. MURRAY of Tennessee, and Mr. LYLE were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; and

H. R. 5907. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary for the fiscal year ending June 30, 1949, and for other purposes.

#### LEGISLATIVE PROGRAM

Mr. WHERRY. Mr. President, I am sure the RECORD reveals that the business before the Senate today will be the calling of the Legislative Calendar, starting with Calendar No. 952. Prior to that, however, two or three Senators would like to offer insertions for the RECORD, and, if there is no objection, may we not hold the calling of the calendar in abeyance for a few moments?

The PRESIDENT pro tempore. Without objection, that procedure will be followed.

#### TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

REPORT OF SECRETARY OF STATE RELATING TO EDUCATIONAL EXCHANGE PROGRAM WITH FOREIGN COUNTRIES (H. DOC. NO. 562)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was read and, with the accompanying report, referred to the Committee on Foreign Relations.

(For text of President's message, see proceedings of the House of Representatives on p. 2339.)

REPEAL OF TAX ON OLEOMARGARINE—  
RESOLUTION OF SOUTH CAROLINA  
HOUSE OF REPRESENTATIVES

Mr. JOHNSTON of South Carolina. Mr. President, I ask unanimous consent to present for appropriate reference and to have printed in the RECORD a resolution adopted by the House of Representatives of the State of South Carolina regarding oleomargarine.

My bill, S. 985, providing for the repeal of all Federal taxes on oleomargarine and intended to be proposed as an amendment to some pending revenue measure is now in the Committee on Finance. Today I am informed the House Committee on Agriculture began hearings on the various pending bills which would eliminate such Federal taxes. It is my sincere hope that such a bill will reach the floor of the Senate for a vote in the near future.

There being no objection, the resolution was received, referred to the Committee on Finance, and, under the rule, ordered to be printed in the RECORD, as follows:

Resolution memorializing Congress to repeal the 10-cents-per-pound Federal tax on oleomargarine and to enact a tax of one-quarter of 1 cent per pound on oleomargarine

Whereas the sale of oleomargarine is now taxed by Federal statute at the rate of one-quarter of a cent per pound for white, or colorless, margarine, and at the rate of 10 cents per pound for colored margarines, which legislation was enacted and is maintained by dairy pressure groups from the North and Midwest sections of the United States; and

Whereas there is now pending before the House of Representatives of the Congress of the United States a bill proposing to repeal the present law and to enact a flat tax of one-quarter of 1 cent per pound on all oleomargarine; and

Whereas some 5,000,000 pounds of oleomargarine per year are consumed and used

yearly in this State, purchased primarily by low-salaried groups and individuals unable to pay high prices for butter; and

Whereas the adoption by Congress of the above-cited legislation would result in a savings to South Carolina taxpayers of taxes conservatively estimated at in excess of \$200,000 per year: Now, therefore, be it

*Resolved by the house of representatives,* That the South Carolina delegation in Congress be urged to lend their influence and efforts toward the enactment by Congress of the above legislation, known as H. R. 5292; be it further

*Resolved,* That a copy of this resolution be sent to each Member of the South Carolina delegation in the United States House of Representatives and Senate.

#### CONVEYANCE OF CERTAIN SURPLUS MILITARY POSTS—REPORT OF A COMMITTEE

Mr. ROBERTSON of Wyoming. Mr. President, from the Committee on Armed Services, I ask unanimous consent to report an original bill providing for the conveyance to States and local governments of certain surplus military posts, and I submit a report (No. 970) thereon.

The PRESIDENT pro tempore. Without objection, the report will be received, and the bill will be placed on the calendar.

There being no objection, the bill (S. 2277) to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas, and historic monument sites, and for other purposes, was received, read twice by its title, and ordered to be placed on the calendar.

#### EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, and withdrawing several nominations, which nominating messages were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

(Mr. ELLENDER introduced Senate bill 2275, to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the Act of June 7, 1924 (43 Stat. 653), as amended, which was referred to the Committee on Agriculture and Forestry, and appears under a separate heading.)

By Mr. MYERS:

S. 2276. A bill to permit the importation free of duty of racing shells to be used in connection with preparations for the 1948 Olympic games; to the Committee on Finance.

(Mr. ROBERTSON of Wyoming, from the Committee on Armed Services, reported an original bill (S. 2277) to amend section 13 of the Surplus Property Act of 1944, as amended, to provide for the disposition of surplus real property to States, political subdivisions, and municipalities for use as public parks, recreational areas and historic monument sites, and for other purposes, which was ordered to be placed on the Calendar, and appears under a separate heading.)

XCIV—144

#### FOREST-FIRE CONTROL

Mr. ELLENDER. Mr. President, I ask unanimous consent to introduce for appropriate reference a bill relating to forest-fire control, and I request that the bill together with an explanatory statement by me may be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred, and, without objection, the bill and explanatory statement will be printed in the RECORD, as requested by the Senator from Louisiana.

There being no objection, the bill (S. 2275) to authorize appropriations for carrying out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended, introduced by Mr. ELLENDER, was received, read twice by its title, referred to the Committee on Agriculture and Forestry, ordered to be printed, and to be printed in the RECORD, as follows:

*Be it enacted, etc.,* That there is hereby authorized to be appropriated annually not more than \$20,000,000 to enable the Secretary of Agriculture to carry out the provisions of sections 1, 2, and 3 of the act of June 7, 1924 (43 Stat. 653), as amended: *Provided,* That the appropriation under this authorization shall not exceed \$11,000,000 for the fiscal year ending June 30, 1950, \$13,000,000 for the fiscal year ending June 30, 1951, \$15,000,000 for the fiscal year ending June 30, 1952, \$17,000,000 for the fiscal year ending June 30, 1953, and \$19,000,000 for the fiscal year ending June 30, 1954.

The explanatory statement presented by Mr. ELLENDER was ordered to be printed in the RECORD, as follows:

#### STATEMENT BY SENATOR ELLENDER

The Cooperative Forest Fire Control Act, Public Law No. 270, approved June 7, 1924, had as its purpose encouraging States in the protection of State and private forest lands from destructive fires.

This law, as originally passed, provided \$2,500,000 for the operation of sections 1, 2, and 3, which dealt with the fire-protection program. As time progressed and a more comprehensive understanding of the fire problem was obtained, the need for raising the authorization was felt and Mr. McNary introduced the bill, S. 45, during the first session of the Seventy-eighth Congress which was passed in 1943, raising the authorization to \$6,300,000 for that year and by annual increments of \$1,000,000 in succeeding years until the fiscal year 1948, when a \$700,000 increase brought the allotted funds to the full authorization under the above-mentioned amendment (S. 45).

In 1945 the United States Forest Service and the States cooperated in making a comprehensive study of the fire problem noting the areas under protection and the amount still needing protection. They also made a careful estimate of the cost to afford the entire area of 439,000,000 acres with the proper type of protection. The results of this study which were announced early in 1946 showed that \$32,000,000 annually would be required to do the job. This included wages, emergency labor, equipment, tools, and operating expenses. The cost of all of these has increased appreciably and the present cost for doing the same job today would be in the neighborhood of \$40,000,000.

The Clarke-McNary Act, as amended, operates on a 50-50 basis between the Federal Government through its Forest Service and

the State governments through their forest services, with some additional participation by private owners. However, with the present authorization the State and private owners are now contributing approximately two-thirds of the amount being spent as shown by the following summary:

State funds (60 percent)-----	\$16,187,488
Private funds (7 percent)-----	2,029,869
Federal funds (33 percent)-----	9,000,000

Total----- 27,217,357

The proposed amendment to increase the authorization of Federal funds to \$20,000,000 will do much toward completing the necessary job in setting up adequate protection and will spur the States to even greater effort in fulfilling their share or more of the cooperative arrangement. In conclusion the following justification is made for this Federal financial aid to State and private owners.

(a) 90 percent of our lumber and other forest products come from State and private forests.

(b) Nearly three-fourths of our Nation's commercial forests are in non-Federal ownership.

(c) Our most accessible and productive source of home-grown lumber comes from these lands.

(d) 90 percent of all fires are caused by the careless public.

As of January 1, 1947, the status of State and private organized protection was as follows:

	Acres
Needing protection-----	439,000,000
Now protected (73 percent)-----	319,000,000
Unprotected but needing it (27 percent)-----	120,000,000

Greatest current needs are:

(a) Extend protection to the 120,000,000 acres now needing it but without the benefit of organized protection.

(b) Intensify protection in those areas where protection is now spread too thin and where, although given some protection, fire losses are too great for successful forest management.

(c) Intensify State and Federal efforts to reduce the number of man-caused fires. Each year about 90 percent of all fires are man-caused and, therefore, preventable. It is better business to prevent a fire than to have to fight one.

#### INVESTIGATION OF SHORTAGE OF PETROLEUM, ETC.

Mr. McMAHON submitted the following resolution (S. Res. 210), which was referred to the Committee on Interstate and Foreign Commerce:

Whereas in recent months the United States has experienced a shortage of petroleum products, and particularly a serious shortage of heating fuels, which has brought distress and suffering to many families in large areas of the United States; and

Whereas it now appears that a shortage of these products is likely to occur again during the winter of 1948-49; and

Whereas it is reported that the country soon will be confronted with a gasoline shortage and that supplies of gasoline will be inadequate to meet the needs of the civilian economy and the national defense: Therefore be it

*Resolved,* That the Committee on Interstate and Foreign Commerce, or any duly authorized subcommittee thereof, is authorized and directed to make a full and complete study and investigation of the shortage of petroleum and petroleum products and natural gas. The committee is authorized to investigate all matters affecting or related to this problem, including:

(1) The desirability of establishing a national petroleum policy;

(2) Estimated petroleum reserves (a) of the United States, (b) of the Western Hemisphere, (c) outside the Western Hemisphere;

(3) Present and estimated future demand for petroleum and petroleum products;

(4) Adequacy of facilities for the production, refining, transportation, and marketing of petroleum and petroleum products;

(5) Availability of steel and other material and equipment necessary for drilling new oil and gas wells, building additional refinery capacity, and constructing transportation facilities, including pipe lines, tankers, and tank cars;

(6) Imports and exports of petroleum products;

(7) Substitute fuels, including alcohol;

(8) The advisability of extending or relaxing governmental controls over the production, refining, transportation, and marketing of petroleum and petroleum products;

(9) Federal and State conservation policies;

(10) The price factor;

(11) Freight rates and pipe-line tariff rates; and

(12) The desirability of a coordinated development and use of petroleum reserves of the Western Hemisphere.

The committee shall report its findings to the Senate at the earliest practicable date, together with such recommendations as it may deem desirable.

The committee is authorized to utilize the services, information, facilities, and personnel of the various departments and agencies of the Government to the extent that such services, information, facilities, and personnel, in the opinion of such departments and agencies, can be furnished without undue interference with the performance of the work and duties of such departments and agencies.

For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eightieth Congress, to employ such clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The expenses of the committee under this resolution, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

#### STATE, JUSTICE, COMMERCE, AND JUDICIARY APPROPRIATIONS—AMENDMENT

Mr. GREEN submitted an amendment intended to be proposed by him to the bill (H. R. 607) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 4, between lines 2 and 3, insert a new paragraph as follows:

"North Atlantic fisheries: For necessary expenses of completing surveys, discussions, and other preliminary activities incident to the negotiation of an international agreement relating to conservation of the North Atlantic fisheries, \$30,000."

#### REDUCTION OF INCOME-TAX PAYMENTS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 4790) to reduce individual

income-tax payments, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

#### TITLES TO LANDS AND RESOURCES BENEATH NAVIGABLE WATERS—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (S. 1938) to confirm and establish the titles of the States to lands and resources in and beneath navigable waters within State boundaries and to provide for the use and control of said lands and resources; which was referred to the Committee on the Judiciary and ordered to be printed.

#### EUROPEAN RECOVERY PROGRAM—AMENDMENTS

Mr. THYE submitted an amendment intended to be proposed by him to the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, which was ordered to lie on the table and to be printed.

Mr. TAYLOR submitted amendments intended to be proposed by him to the bill S. 2202, supra, which were ordered to lie on the table and to be printed.

#### HOUSE BILLS REFERRED

The following bills were each read twice by their titles and referred as indicated:

H. R. 5314. An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes; to the Committee on Banking and Currency.

H. R. 5607. An act making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1949, and for other purposes; to the Committee on Appropriations.

#### FOREIGN RELATIONS—ADDRESS BY HON. JAMES F. BYRNES

[Mr. MAYBANK asked and obtained leave to have printed in the RECORD an address delivered on November 6, 1947, at Winston-Salem, N. C., by former Secretary of State James F. Byrnes to the House of Bishops of the Episcopal Church, which appears in the Appendix.]

#### JEFFERSON-JACKSON DAY ADDRESS BY SENATOR McGRATH

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a Jefferson-Jackson Day address delivered by Senator McGRATH at Indianapolis, Ind., February 29, 1948, which appears in the Appendix.]

#### THE NEED FOR COMPULSORY ARBITRATION—STATEMENT BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the RECORD a statement regarding the need for compulsory arbitration, prepared by him, which appears in the Appendix.]

#### JEFFERSON-JACKSON DAY ADDRESS BY THE SECRETARY OF THE TREASURY

[Mr. McMAHON asked and obtained leave to have printed in the RECORD the Jefferson-

Jackson Day address delivered by Hon. John W. Snyder, Secretary of the Treasury, in Newark, N. J., February 19, 1948, which appears in the Appendix.]

#### COMMENTS BY PHILIP W. PORTER ON RENT CONTROL AND ON SENATOR CAIN'S SPEECH

[Mr. BRICKER asked and obtained leave to have printed in the RECORD an article on the subject of Senator CAIN's speech in the Senate on the rent-control extension bill, by Philip W. Porter, published in the Cleveland Plain Dealer, March 1, 1948, which appears in the Appendix.]

#### TIDELANDS OIL—EDITORIAL FROM THE NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial entitled "More Tidelands Suits," from the New Orleans Times-Picayune of March 4, 1948, which appears in the Appendix.]

#### THE CIVIL RIGHTS PROGRAM—EDITORIAL FROM THE NEW ORLEANS TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the RECORD an editorial relating to the proposed force bill, from the New Orleans Times-Picayune of March 1, 1948, which appears in the Appendix.]

#### LAUGHING WITH CONGRESS—EDITORIAL FROM THE BESSEMER HERALD

[Mr. THYE asked and obtained leave to have printed in the RECORD an editorial on Senator WILEY's book, Laughing With Congress, published in the February 26 issue of the Bessemer Herald, of Bessemer Mich., which appears in the Appendix.]

#### PENSIONS AT SIXTY—EDITORIAL FROM THE WHEELING INTELLIGENCER

[Mr. REVERCOMB asked and obtained leave to have printed in the RECORD an editorial entitled "Pensions at Sixty," published in the Wheeling Intelligencer for March 3, 1948, which appears in the Appendix.]

#### EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

[Mr. BUTLER asked and obtained leave to have printed in the RECORD a letter dated March 5, 1948, addressed to him from John Breckenridge dealing with the proposed extension of the Reciprocal Trade Agreements Act, and a portion of a statement made by Hugh W. Taylor, dealing with trade-agreement negotiations with Mexico on burley and dark-leaf tobacco, which appear in the Appendix.]

#### CIVIL GOVERNMENT FOR PACIFIC TRUST ISLANDS—ARTICLES FROM THE MANILA (PHILIPPINE ISLANDS) EVENING NEWS

[Mr. CORDON asked and obtained leave to have printed in the RECORD two articles published in Manila Evening News of February 10 and 11, 1948, dealing with the trust islands in the Pacific, which appear in the Appendix.]

#### TWO POINTS FOR CONGRESS—EDITORIAL FROM THE INDIANAPOLIS STAR

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Two Points for Congress," published in the Indianapolis (Ind.) Star of February 23, 1948, which appears in the Appendix.]

#### PRACTICAL PROPOSALS—EDITORIAL FROM THE LA FAYETTE (IND.) JOURNAL COURIER

[Mr. CAPEHART asked and obtained leave to have printed in the RECORD an editorial entitled "Practical Proposals," published in the La Fayette (Ind.) Journal Courier of February 17, 1948, which appears in the Appendix.]

# UNIFIED REGULATION—EDITORIAL FROM THE NEW YORK TIMES

[Mr. CAPEHART asked and obtained leave to have printed in the *RECORD* an editorial entitled "Unified Regulation," published in the New York Times of February 28, 1948, which appears in the Appendix.]

## THE CIVIL RIGHTS PROGRAM—RESOLUTION OF VIRGINIA DEMOCRATIC STATE COMMITTEE

Mr. BYRD. Mr. President, on Saturday, March 6, in the city of Richmond, the State Central Democratic Committee of Virginia met and adopted a resolution in condemnation of the action of the President of the United States in recommending unconstitutional legislation which, if adopted, would virtually mean the end of States' rights and self-government.

The Virginia State Central Democratic Committee is the governing body of the Democracy of Virginia and is elected from all sections of the State, with representation given to every congressional district.

It is very significant that this resolution was passed without a single dissenting vote.

Another resolution was also passed, withholding from the Democratic National Committee the collections from the Jefferson Day dinner, amounting to some \$17,000.

I ask unanimous consent that the resolution adopted by the Virginia State Central Democratic Committee be printed in the *RECORD* as a part of my remarks.

There being no objection, the resolution was ordered to be printed in the *RECORD*, as follows:

Whereas the President of the United States, and the titular head of our political party, has urged the Congress of the United States to adopt certain laws repugnant to our fundamental concept of the rights of the several States as reserved in the Constitution, in that he—

Has proposed the enactment of a so-called Fair Employment Practice Act under which a Federal police might determine the legality of the act of a citizen in selecting the agents, employees, or servants of his choice and might punish him for exercising and acting upon his individual judgment;

Has proposed a law which would limit our right of appeal and would deprive us of the due process of law guaranteed by the fourteenth amendment of the Constitution;

Has proposed a law to penalize and punish the political subdivisions of the several States, and the innocent citizens thereof, for acts of lawlessness committed within their confines;

Has proposed to abolish the barriers of segregation and social division recognized by the leaders of both races to be most conducive to the maintenance of peaceable and friendly relations between the races;

Has undertaken by Federal law to censor and condemn the customs of the South and has sought to impose upon it the restraints, inequities, and injustices of the period of reconstruction; and

Whereas after years of patience, education, and mutual effort on the part of both races the said races are now living together in this State with an amity and forbearance unknown in the annals of history; and

Whereas it is the hope and earnest desire of the people of Virginia and of the members of the Democratic Party therein that no act be taken which will in any way en-

danger this peaceable and friendly relation of the races: Now, therefore, be it

*Resolved by the State central committee of the Democratic Party of Virginia—*

1. That it condemns and deplores the efforts of the President and the leaders of the National Democratic Party to gain political favor by espousing laws tending to disrupt and disturb the friendly relation now existing between the races in Virginia and in the South.

2. That it condemns and deplores the patent effort on the part of the President and the national Democratic leaders to out-Wallace Wallace.

3. That while we are not unmindful of the political pressure on the President from the radical elements within and without the Democratic Party, we remind him that while many of these policies and proposals have long appeared in the platforms of the Communist and the Republican Parties, that they are contrary to the fundamental principles of the party of Jefferson and Jackson, and in violation of the rights reserved to the States, in the Federal Constitution.

4. That the people of the South have not borne the brunt of the battles of the Democratic Party over the years to be made a sacrifice on the altar of political expediency.

5. That the leaders and members of the National Democratic Party who are interested in its success at the polls are respectfully requested to refrain from taking any action which would jeopardize or endanger its success in the South, where it has been nourished and sustained throughout its existence.

6. That the Representatives of Virginia in the Congress of the United States be urged to oppose and seek the defeat of such legislation with every means within their power.

7. That we approve and commend the courageous stand taken by the Governor of Virginia; be it further

*Resolved*, That copies of this resolution be sent to J. HOWARD McGRATH, chairman of the national committee of the Democratic Party, and to our Representatives in the United States Congress.

## KANSAS CITY ELECTIONS—RESOLUTION OF MISSOURI REPUBLICAN STATE COMMITTEE

Mr. KEM. Mr. President, I ask unanimous consent to have printed in the body of the *RECORD* a copy of a resolution offered by Hon. C. R. "Ted" Hawkins, a member of the Missouri State Senate, at a meeting of the Missouri Republican State Committee held on February 28, 1948. This resolution was unanimously adopted by the committee. I ask that it follow the resolution just offered by the senior Senator from Virginia.

The PRESIDENT pro tempore. Is there objection?

There being no objection, the resolution was ordered to be printed in the *RECORD*, as follows:

*Be it resolved by the Republican State committee*, That we respectfully request that the Committee of the United States Senate for the Investigation of Executive Departments give consideration to the investigation of the following facts:

The crime of stealing elections exceeds all other offenses against the peacetime welfare of this Nation, but the offense most certain to destroy the confidence of the people in our Government is the misuse of power by highest Government officials, to wreak vengeance upon their political opponents and personal enemies as a means of whitewashing and covering up the venal and criminal

acts of their intimates and colleagues of a brutal and ruthless political machine.

President Truman ordered his old cronies of the Pendergast machine to purge Congressman Slaughter. The people voted for Slaughter, but the machine stole the election and counted him out. Truman's Attorney General Clark hamstrung official investigators with instructions which resulted in a whitewash. The Kansas City Star dug up and published the evidence and the election thieves were indicted. President Truman went to Kansas City. While he was there, and within a few blocks of his hotel, the election board safe was dynamited and the evidence stolen. Our own Senator JAMES P. KEM insisted on a thorough and complete investigation.

The FBI has cracked a thousand tougher crimes than this one, but not with Truman in the White House and his Pendergast cronies involved.

The chairman of the Republican State committee publicly demanded a clean-up, and called for a probe of election irregularities in certain counties where prizes of great value were offered as lures for voters. Senator KEM's investigation was stopped by filibuster.

Finally, Truman and Clark went into action—and what action. To divert attention from the stinking Kansas City scandal which was rocking the Nation, they mobilized the famous FBI, as though for war.

From thousands of American counties, Truman and Clark selected two of the smallest and ordered an all-out invasion. Little Butler County, Mo., was selected because it is the home county of the Republican State chairman. They decided that he must be taught better than to needle the big shots at the National Capital with public statements.

Then Truman and Clark had another inspiration—and still more crafty and vengeful. In the neighboring county of Scott, there lived a prominent family of Democrats whom Truman and Clark hated. The family patriarch and leader was that great Democrat, that great American, Charley Blanton.

With his newspaper, he was fighting the battles of the Democratic Party long before Tom Pendergast made a United States Senator out of a county judge. But Charley Blanton had flayed the misdeeds of Truman and Clark with his trenchant editorial pen, soundly and often.

And here, as though made to order, was their opportunity for revenge. If the Blanton family could be humbled before the invasion of Republican Butler County, another enemy would have been punished, and the charge of partisan politics avoided. So the invasion was ordered. The record does not show how many detectives Clark sent to big Kansas City, but when they came to little Butler County they traveled in squads and platoons. Pharaoh's locusts were scarcely more numerous, and almost before the flowers had faded on Charley Blanton's grave his son and successor had been indicted. We doubt if there is an American county where a swarm of FBI men could not find a few old Negroes who could be frightened into saying that their votes had been bought. But election laws are to be observed and enforced, and we pledge all of the resources of the Republican State committee to that end.

But what of the other offense? Hitler brazenly and brutally exterminated his opponents. Stalin does the same. Back to Nero we must go to find a ruler whose favorite dodge was to point a cowardly, accusing finger at humble citizens to divert attention from his own misdeeds; also Neroesque was the fiendish timing by which indictments from Republican Butler County were released by publication to shock a great State-wide gathering of Republicans at St. Louis.

Under Democratic and Republican Presidents, the FBI had been kept upon a high plane and had won the admiration and respect of the people.

It remained for Messrs. Truman and Clark to smudge its fine record. Only the present occupant of the White House and his sycophant would use the FBI to whitewash the Kansas City election steal and ballot burglary. Only a disciple of Tom Pendergast would use the FBI to visit personal vengeance upon those who dared to speak out against official misconduct.

We cannot retaliate in kind. We would not if we could. Pray God that no President ever will again. Our only recourse is to lay this record before the people through a fair and courageous press, and to ask your committee to investigate this record as a basis for such action as the Congress may deem proper, including possible impeachment.

#### SECRET RUSSIAN ACTIVITIES IN THE UNITED STATES

Mr. WILEY. Mr. President, when I was in London last summer it was my privilege to meet a very distinguished Englishman by the name of Kenneth de Courcy. He publishes what is known as the *Intelligence Digest*, a review of world affairs. In Europe and Canada, and throughout the British Empire, this *Intelligence Digest* is held in high regard by those who desire to know what is going on in the world.

Mr. De Courcy publishes an American edition of the *Intelligence Digest*.

Mr. De Courcy and his nephew, Michael, are now in America. They will spend several days in Washington.

I was interested to note that in the March issue Mr. De Courcy brings out Russian activities in the United States. He speaks of Mr. Oumansky, who, when living, ranked above the Soviet Ambassador in Washington, and who, from Washington, went to Mexico. Mr. De Courcy says that just before his death, Oumansky wrote an important secret report dealing with espionage and sabotage against the United States. In this report he said the Germans had failed miserably in their organization of a fifth column in the United States, that no effective German sabotage took place, and that the secret agents of Germany who landed in the United States effected nothing because they did not go at their task in the right way.

Oumansky, in his report, showed how the FBI had tracked these agents down. He stated there was no effective internal German organization in the United States. He brought out the need of the Russians' perfecting an internal organization here. He proceeded to state that there was no country in the world where it was easier to organize a spy system than in the United States, and that the Union of Soviet Socialist Republics must learn from the mistakes Germany had made.

He stated further that the United States had two vulnerable points—the Panama Canal and the locks at the Sault Ste. Marie—that if these two points were attacked, it would seriously hamper America's war effort. Mr. Oumansky thought preparation should be made at once for sabotaging these two main strategic points.

He stated that Germany had made a mistake which Russia must avoid, namely, the open creation of a bund. It

will be remembered that the Germans had a German bund in this country. He said that important people should be excluded from any Russian activity along this line. He strongly advocated the limitation of each agent to one particular activity.

Mr. President, I am bringing this matter to the attention of the Senate because this is a report by a former Russian Ambassador to his country, telling why Germany failed in its sabotage, and what is necessary in the creation of a successful Russian agency in this country, so that if and when an emergency arises, they will have an adept and efficient organization.

Soon after Oumansky's death the Soviet Government gave orders for this work to start. In November 1945 two officers of the Russian Intelligence traveling under the names of Vladimir Novak and Joseph Erdman arrived in Mexico City. They soon left on their mission, which included extensive travels in the Panama Canal Zone. In May 1946 they showed up in Cuba; how long they stayed there is not certain. Traveling under other names, they went in August 1946 by air to Florida. Later they went north and west and eventually returned to Mexico.

The report of this extremely important trip was submitted to the MVD in December 1946, and presently the Intelligence Division of the Russian General Staff examined the conclusions of the report with very great care.

On the whole, they recommended Oumansky's memorandum. They pointed out that deterioration in the relations between the U. S. S. R. and the United States already made it urgent to act without delay.

By February 1947 Moscow had a complete geographical survey of the whole problem worked out, based on Oumansky's memorandum and the special intelligence report of those agents. The whole organization has since made a great deal of progress, and is now being increased by every possible means in the power of the Soviet Government.

Since the spring of 1947, Russian agents have been arriving in considerable numbers in Latin-American countries, especially Costa Rica, Cuba, Haiti, Mexico, and Colombia. The discoveries made in Canada revealed only a part of the great system of spies which is being organized to undermine the defenses of the United States.

Mr. President, when we face what is before us in the world today and reflect on what took place in Czechoslovakia, and what it is prophesied will take place in Italy in the next few weeks, the question which arises in my mind is whether or not we are adequate to meet any of the impacts of these effective Russian plans. To me that is the issue we must face today. We may continue quarreling about our internal differences and perhaps fall asleep to the serious threats from this area of the world—the Russian manner of penetration.

Mr. President, I trust and hope that we are not so blind as not to realize that we must meet head-on the plans of the shrewdest international manipulators in world history.

#### THE TAX ON OLEOMARGARINE

Mr. MAYBANK. Mr. President, there appears in the current issue of *Life* magazine an editorial entitled "Margarine versus Butter." While I do not submit this article in opposition to any dairy interests, I feel that it presents an excellent argument against the present unjust restrictions and taxes placed upon this product.

As is well known, I have repeatedly asked that these restrictions against margarine be removed.

In 1943 I introduced Senate bill 1426, designed to suspend, for the duration, the existing 10 cents per pound tax on margarine containing yellow color, whether artificial or otherwise, and to restrict the definition of the term "manufacturer" for the duration, so that restaurants, boarding houses, hospitals, and so forth, could color margarine and serve it to their patrons, guests, and employees without incurring the \$600 annual license fee now imposed upon them.

The war is over, and although butter is now more plentiful than at the time this bill was introduced it is still outside of the financial reach of many. On Wednesday I shall again appear before the Senate Finance Committee with my proposed amendment to H. R. 4790, which would accomplish the same purpose now as S. 1426 would have done during the war.

I, therefore, ask unanimous consent to have this editorial printed in the *Record* as a part of my remarks.

There being no objection, the editorial was ordered to be printed in the *Record*, as follows:

#### MARGARINE VERSUS BUTTER—A GOOD FIGHT TO GET IN ON

There's a good fight shaping up in Congress in which all American housewives have a stake. If their side wins they can save at least \$6,000,000 a year on grocery bills and an estimated 88,000,000 woman-hours a year in the kitchen. The country would also save 52,000,000 bushels of grain, which could be exported to a hungry world instead of being fed to cows and churned into butter. At least that is what the makers of oleomargarine figure. Even if they exaggerate, there is no doubt that their side in this fight is the side of the housewife, of justice, and of common sense.

For the first time in over 60 years the margarine makers have a fighting chance to reduce or repeal the discriminatory taxes on margarine which have been imposed on consumers by the butter lobby. Margarine is the only modern case of a perfectly respectable commodity being taxed directly by the United States Government just to keep down its sales for the benefit of a rival product. In addition to this direct tax a licensing law keeps half of all grocers from handling margarine; the sale of colored margarine is prohibited entirely in 23 States; and the United States Army and Navy are forbidden by law to use any kind of margarine, as are the public hospitals, jails, etc., of 17 States.

In spite of this the per capita consumption of margarine has gradually gone up, especially since 1940. Such is the achievement of the patient margarine makers, whose product, made from vegetable oils instead of milk, is no less nutritious than butter, and whose prices, despite the tax handicap, are a whole lot lower. Most housewives who can get margarine for 30 cents or 40 cents aren't going to pay 90 cents for butter, even if they have to waste time mixing in the color. So

the tax is just a senseless penalty and an empty monument to the power of the butter lobby.

Whether you like margarine or not, you must agree that this is a fairly outrageous situation. When the first antimargarine tax was passed in 1886, there were enough fraudulent margarine makers to lend a slight pro bono publico flavor to the legislation. That hasn't been true for years. The butter lobby's main argument for the tax nowadays is that dairy farming is a great national asset. Representative MURRAY of Wisconsin brings a toy Holstein into the House, describes the miraculous food-producing powers of her species, and calls her "the foster mother of the human race." No doubt she is all of that, but the soybean and the cottonseed are productive little assets too. Indeed, the soybean has recently been winning more new congressional friends than the cow. And this year the soybean and cottonseed Congressmen, sparked by a Republican freshman from Indiana named MITCHELL who used to peddle margarine from a truck, have organized a lobby which is as loud and enthusiastic as the butter lobby is quiet and smooth. They have been promised hearings on some of the many justice-to-margarine bills now in the House Agriculture Committee. This committee is dairy dominated and has smothered many such bills before. It may smother them again but, as we say, there is a fighting chance. So if you are tired of having margarine discriminated against, write to your own Congressman or to Representative EDWARD MITCHELL. Incidentally, did you know that in the wintertime butter is artificially colored too?

#### CALL OF THE ROLL

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Moore
Ball	Hatch	Morse
Barkley	Hayden	Myers
Brewster	Hickenlooper	O'Connor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Pepper
Butler	Jenner	Reed
Byrd	Johnson, Colo.	Revercomb
Cain	Johnston, S. C.	Robertson, Va.
Capehart	Kem	Robertson, Wyo.
Capper	Kilgore	Russell
Chavez	Knowland	Saltonstall
Connally	Langer	Smith
Cooper	Lodge	Sparkman
Cordon	Lucas	Stennis
Donnell	McCarran	Taylor
Downey	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Eaton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALDWIN] is absent because of the death of the Governor of Connecticut.

The Senator from South Dakota [Mr. BUSHFIELD] and the Senator from New Jersey [Mr. HAWKES] are necessarily absent.

The Senator from New Hampshire [Mr. TOBEY] is absent because of elections in his State.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

Mr. LUCAS. I announce that the Senator from Washington [Mr. MAGNUSON]

and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Tennessee [Mr. STEWART] is absent by leave of the Senate.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The PRESIDENT pro tempore. Eighty-three Senators having answered to their names, a quorum is present.

Under the unanimous-consent agreement, the Senate will proceed under the 5-minute rule.

#### EUROPEAN RECOVERY PROGRAM

Mr. McKELLAR. Mr. President, when the Marshall plan was first announced and I read it, I tried to read it with some care. After reflection I rather came to the conclusion, because of the enormous loans, or gifts involved, and especially after we had made so many already, that I would vote against it when it came up for a vote in the Senate.

In the last few weeks, however, conditions have arisen which have caused me to reconsider the opinion I then reached on the European recovery program, or Vandenberg bill, S. 2202, and I am obliged to say that a careful reconsideration in connection with facts that have developed in Europe since that time and the specific fact of Russia taking over Czechoslovakia last week or week before last, and her efforts to take in Finland last week and this week, have caused me to change my mind. At this time I believe that I should vote for the Vandenberg bill, putting into effect the Marshall plan.

Mr. President, like every other good American citizen, when the late World War II was over, I joined in the hope that we would never have another war. I hoped we could have an agreement among the nations of the earth to keep the peace for all time—those nations which had been so sorely afflicted as to be in the war and those which were not in the war but which had seen its devastation. It seemed that the world was tired of war.

I know I felt that way with all my heart. I voted for the United Nations, and I hoped that it would be able to set up machinery that would forever stop war—and I believe the people of most other nations felt the same way.

Russia as a nation did not seem to agree with that view. Her seamen have made every effort and have taken every step possible to prevent the making of an agreement to keep the peace. Instead of being opposed to war, I am convinced that her leaders feel that she is not exactly ready for war, but they are hoping that the time will soon come when they can go to war and perhaps take over the world.

Twenty or more years ago I visited Russia. I met a number of her prominent men. I saw her people. I saw large portions of the country. She has a large area, but she did not seem to me to rank with the British nation, or the French Nation, or the German Nation, or

our own Nation, or many other nations, and I do not think she ranks with them now. I think she is determined to take over Europe and put it under the banner of communism, if it is humanly possible.

I am utterly opposed to communism. I am opposed to its every principle and to its every tenet. I believe that today it is the greatest enemy that freedom has or that humanity has.

Last year, and even this year, I had thought that we ought to reduce our Army to a skeleton of an army, as we have always done after other wars were over, and let our people go back to peaceful and free pursuits. But Russia's actions in taking over and in continuing to take over free nations of Europe have made me believe that America has another duty at this time.

We ought to put our Army in condition, our Navy in condition, our Air Corps in condition, our Marine Corps in condition, and every other like agency in condition with one distinct purpose in view: That if Russia takes over another nation or attempts to do so, our Nation will take the lead in defending that nation and all the other free nations of Europe.

Mr. President, I am a peaceful man. I do not believe in making war, but when I see another nation not only preparing to make war on us but taking over other nations that will add to her strength, I think we ought to look the facts squarely in the face and let it be known that America will help the free nations of Europe—England, France, the part of Germany that England, France, and America control, Spain, Italy, Switzerland, Holland, Belgium, Denmark, Norway, Sweden, Greece, Turkey, Austria—and all other nations that want to join us, and give Russia notice that if she undertakes to take over any more European territory we are at the service of those nations and will help them maintain their individuality and their independence.

These two facts—Russia taking over Czechoslovakia and Finland, together with Russia's taking over such a large part of Germany, and her failure even to negotiate on a peace treaty settling the status of Germany and the various other nations of Europe, as well as her action toward Greece and her solicitations in Italy, seem to me to make it apparent that Russia's definite plan and purpose is to take over the remaining nations of Europe which she has not already taken over—and, I might add, perhaps some of the far eastern nations.

In my judgment, for her to do this would be hurtful to herself, it would be hurtful to every one of the nations taken over in Europe, and it would be enormously hurtful to America in interfering with our peaceful trade and commerce with the nations of Europe and with the other nations of the world.

To be perfectly frank, these considerations have caused me to reach an entirely different conclusion; and when the Vandenberg bill comes to a vote I expect to vote for it.

Mr. FULBRIGHT and Mr. KEM addressed the Chair.

The PRESIDENT pro tempore. With the consent of the Senate, the Chair will

recognize the Senator from Arkansas for 5 minutes, inasmuch as he must leave the Chamber.

Mr. FULBRIGHT. Mr. President, in the course of the debate on March 3, it became clear that although the chairman, the distinguished senior Senator from Michigan [Mr. VANDENBERG] and other members of the Committee on Foreign Relations, approve of the objective and purpose of the amendment which I have offered, at the same time they strongly object to its inclusion in this legislation.

The distinguished chairman of the committee said during the debate:

So long as the record is as clear as it is—and the Senator is making it clear, as the committee report makes it clear—it is practically the universal opinion that the consolidation of the western European countries along the line of which the Senator is speaking is the pattern of realistic hope.

Later he added:

I wish to make it quite plain that I share all these hopes for European unification. I see little long-range hope except as there can be a consolidation which is substantially more than economic.

In view of these statements of the chairman of the committee, and out of consideration for his request that this amendment be not pressed at this time, I am withdrawing it. I am withdrawing it, however, with an understanding with the Senator from Michigan that within the near future and before the adjournment of this Congress the Committee on Foreign Relations will hold hearings and consider Senate Concurrent Resolution 10, which expresses the approval of the Congress of a United States of Europe.

Although I am withdrawing the amendment at this time, I wish to reaffirm my conviction that the unification of Europe is essential to the future peace of the world, and that this country should do everything in its power to promote such a union. I am confident that if the Committee on Foreign Relations considers the matter it will act favorably upon the expression of our approval of European union.

Mr. President, within the last few days five of the principal western European countries have sent delegates to Brussels to consider plans for bringing about a closer union of their respective countries. In view of all the circumstances which now prevail it is obvious the time has arrived for decisive action. The opportunity is here now and it will be a great tragedy for Europe and for us if this opportunity is missed because of hesitation and timidity. Without the unification of western Europe there is little hope for that larger unity envisioned by the United Nations, without which the endless repetition of devastating wars is inevitable.

It is with reluctance that I withdraw the amendment, but in view of the opposition of the committee, and therefore its almost certain defeat by this body, and the probability that such a defeat would be interpreted as this Nation's disapproval of European unity, I feel compelled to follow this course. I can only hope that the debate which has taken place will strengthen the determination of the Europeans and will induce the

Congress, before it adjourns, to give its blessing to the efforts of the Europeans to bring order and unity out of their present chaotic nationalism.

It is extremely unfortunate that at this critical period in the affairs of the world, we find ourselves in this country divided and torn apart by internal quarrels which distract our attention from the danger arising from Soviet aggression.

Mr. President, the lack of unity is the greatest weakness of the democracies. I had hoped that through this bill we might take at least a small step in the direction of unity. I still feel that unless the CEEC countries can achieve political unification during the next few years, the ERP program not only will fail to bring peace and stability to Europe, but, on the contrary, if those countries succumb one by one to the Communists, it will actually result in a tremendous subsidy at our expense to the growth of Communist power.

Mr. President, last Wednesday the St. Louis Post-Dispatch carried an editorial relating to this subject, which I ask unanimous consent to insert in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### THE BRUSSELS CONFERENCE

The falling of the iron fist on Czechoslovakia and Finland gives new importance and urgency to the conference opening in Brussels today on the formation of a union of western Europe.

While Britain, France, and the United States have been talking about a United States of Europe, Russia has been creating one. Russia now has eastern and central Europe firmly under its hand and is rumbling at the gates of the western European nations.

As far back as 1943, Winston Churchill proposed to Washington the creation of a confederation of Europe. But the State Department evinced no interest. The Senate has been equally dilatory. It has taken no action on the year-old Fulbright resolution favoring the formation of a United States of Europe within the frame-work of the United Nations.

While the Senate neglects the Fulbright resolution, with its limited and realistic objective, a group of Republican Senators headed by BALL, of Minnesota, and BAEWSTER, of Maine, confuse the picture with a proposal for an entirely new international organization with the power to bind its members to military action. It is more than a little strange that Senators who have not become interested in encouraging a union of western Europe would now—in an election year—raise an issue involving the impairment of American sovereignty.

Prime Minister Attlee and Foreign Secretary Bevin are more realistic. They are apparently throwing the still large influence of Great Britain into the organization of a firm federation of free Europe. Prime Minister Attlee says the Brussels meeting will cover all aspects of European union—economic, social, political, and military. Only Britain, France, and the Benelux countries are represented at the current meeting, but the object is to enroll the rest of western Europe within a year.

Mr. Attlee has long advocated a United States of Europe. More than 2 years ago, he said, "Europe must unite or perish." It may have sounded then like a slogan. Now, it seems a cold, bare, immutable fact.

Even the Scandinavian countries, which until last week had followed the Czech line of trying to serve as a bridge between Russia and the west, are now openly denouncing Russia and calling for a western Europe

which can place herself as a strong partner by America's side.

Scandinavia's peril consists in being geographically so close to Finland and Russia. In Italy and France, political conquest is the greater danger.

The Communists are gaining strength in Italy, where they polled 38 percent of the votes in the last general election. If the Communists do not win the general election in April, they may try a general strike or an uprising by their carefully drilled private army.

In France parliamentary government walks a tight rope between the Communists and the De Gaullists.

In this alarm and confusion, Congress moves toward the appropriation of billions of dollars for economic aid to western Europe. But dollars alone cannot do the job. For 2 years America has been aiding Italy at a rate comparable to that contemplated under the Marshall plan, and yet the Italian situation has apparently grown worse.

To Britain we have given or lent some five billions since the war, but Britain has had to dig into its own gold and dollar reserves by an additional four billions. The bottom of the barrel is in sight.

Something more is required than loans from the United States. Though loans may temporarily stave off disaster, they do not restore self-confidence, revive buoyancy and hope, or stir the imagination of the recipients.

How can western Europe possibly become inspired or invigorated as long as it clings to a division and disunion—a worship of petty nationalism—which compels it to rely on the United States for economic assistance and military protection?

In the air and atomic age, the massed billions necessary for a powerful armed force are simply not within reach of small or medium-sized nations. These exist solely on sufferance of the great powers. That sufferance, in the case of Russia, is so small as to be virtually nonexistent.

So if the United States is ever to be able to lay down its burden of guardianship over western Europe, there must come into existence a firm political, economic, and military union of the part of the Continent which is still free to make its own destiny.

The overpowering need of Europe, both from its own point of view and that of America, is a restoration of the balance of power. And there is no chance of achieving a balance against Russia except by uniting Europe in the West.

The idea of European union is now present, the climate of opinion is favorable, and the firm support of the United States could very well prove decisive.

Mr. FULBRIGHT. Mr. President, I now ask to withdraw the pending amendment.

The PRESIDENT pro tempore. The Senator from Arkansas withdraws his amendment to Senate bill 2202. With the indulgence of the Senate, the senior Senator from Michigan would like to express his thanks to the able Senator from Arkansas for his cooperation and to assure him that his resolution will have every possible consideration in the committee.

Mr. FULBRIGHT. I thank the Senator.

Mr. CONNALLY. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Arkansas yield to the Senator from Texas?

Mr. FULBRIGHT. I yield for a question.

Mr. CONNALLY. Mr. President, I want to comment very briefly on the Sen-

ator's statement and on his amendment which he has now withdrawn. It seems to me that however desirable the objectives of the Senator from Arkansas, which objectives are shared no doubt by many other Members of the Senate, if there is to be a western association of nations it must essentially come by their own initiative and through their own action. It is true that under the Charter of the United Nations they may, within the United Nations, form a regional arrangement, but for us to undertake in the pending bill or otherwise directly to suggest and advance the idea, it seems to me, might injure the objective and might retard the movement itself, on the plea that we are going beyond our proper function and are undertaking to influence the action of these nations. All Senators share the view that we should like to see the nations of western Europe that have the same democratic ideals and purposes as this Nation has, unite in forming an organization to resist the encroachments of totalitarianism upon their territories and among their people. But I congratulate the Senator for withdrawing his amendment at this time. As a member of the Foreign Relations Committee I shall most cordially hear him on the question. It is a question of tremendous importance; it has many delicate aspects and phases, and it, therefore, requires the most studious attention and consideration. I am sure the Senator can rely upon the committee's giving him his day in court. What the result will be I cannot, of course, foretell.

Mr. FULBRIGHT. I thank the Senator.

Mr. CONNALLY. It is, however, a question that we ought not to permit to become entangled in the pending measure, which is based entirely upon the theory of extending temporary relief and furnishing facilities to certain nations with which to rebuild their broken fortunes, and to strengthen them, in order that they may stand upon their own feet. That is the very heart of the bill. The beneficiary European nations should be told and should be reminded, as I am sure they will be after the Administrator is appointed, that unless they employ strenuous measures, militant measures, hard-headed measures, to do for themselves and to marshal every resource at their command to aid in their own reestablishment and their own strengthening, it will be in vain, and the United States, of course, cannot continue the course upon which it is embarking unless it receives the wholehearted cooperation and vigorous support of the countries of Europe that will become beneficiaries under this measure. I thank the Senator.

#### THE CALENDAR

The PRESIDENT pro tempore. Under the order of the Senate, the Chair must ask for a call of the calendar. Any Senator can be recognized for 5 minutes on any bill as the calendar is called. The clerk will proceed to state the measures on the calendar, beginning with Calendar No. 952.

#### ANASTASIOS PANAGE IOANNATOS

The bill (H. R. 1298) for the relief of Anastasios Panage Ioannatos (known as

Anastasios Panage Ionnatos or Tom Panage Yanatos) was considered, ordered to a third reading, read the third time, and passed.

#### ALIEN FIANCÉS OF MEMBERS OF THE ARMED FORCES

The Senate proceeded to consider the bill (H. R. 4838) to extend the period of validity of the act to facilitate the admission into the United States of the alien fiancées or fiancés of members of the armed forces of the United States, which had been reported from the Committee on the Judiciary, with amendments, on page 1, after line 6, to strike out:

SEC. 2. Clause (b) of the proviso of the first section of the act approved June 29, 1946 (60 Stat. 339), is hereby repealed.

And on page 2, in line 1, after "Sec.", to strike out "2" and insert "3."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

#### MRS. PEARL COLE

The bill (H. R. 2012) for the relief of Mrs. Pearl Cole was considered, ordered to a third reading, read the third time, and passed.

#### BERTHA M. ROGERS

The bill (H. R. 4331) for the relief of Bertha M. Rogers was considered, ordered to a third reading, read the third time, and passed.

#### STANLEY-YELVERTON, INC.

The bill (H. R. 2373) for the relief of Stanley-Yelverton, Inc., was considered, ordered to a third reading, read the third time, and passed.

#### NITA H. STANLEY

The bill (H. R. 2374) for the relief of Nita H. Stanley was considered, ordered to a third reading, read the third time, and passed.

#### JESSE F. CANNON AND OTHERS

The bill (H. R. 4541) for the relief of Jesse F. Cannon, Jackson Jones, and the estate of John Halstadt was considered, ordered to a third reading, read the third time, and passed.

#### JOHN E. PETERSON AND GUY F. ALLEN

The bill (S. 1654) for the relief of John E. Peterson and Guy F. Allen was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That John E. Peterson, an employee of the Federal Public Housing Authority, and Guy F. Allen, former Chief Disbursing Officer, Department of the Treasury, are hereby relieved of all liability to the United States for the payment of the sum of \$1,542.31, together with the interest due on such sum or any part thereof, representing the aggregate amount stolen in two robberies which occurred at project CAL-4905, Los Cerritos Trailer Courts, Long Beach, Calif., on May 6, 1945, and November 4, 1945, such sum having been stolen from the premises of such housing project offices and from the custody of the said John E. Peterson without fault on the part of either the said John E. Peterson or Guy F. Allen.

#### FIRE DISTRICT NO. 1, COLCHESTER, VT.

The bill (S. 1263) for the relief of Fire District No. 1 of the town of Colchester, Vt., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the Fire District No. 1 of the Town of Colchester, Vt., the sum of \$30,190.16, in full satisfaction of its claim against the United States for reimbursement of expenses incurred by it in repairing damage to a sewer line, such damage having resulted from improper construction by Army authorities, who installed the sewer line pursuant to an agreement between the fire district and the Army: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### CLAIM OF CHARLES L. BAKER

The bill (H. R. 1131) to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim or claims of Charles L. Baker, was considered, ordered to a third reading, read the third time, and passed.

Mr. CORDON. Mr. President, I ask unanimous consent that the vote by which House bill 1131 was just passed be reconsidered, and that the bill be temporarily passed over. I have not yet had an opportunity to examine it carefully. I think there will be no objection.

The PRESIDENT pro tempore. Without objection, the vote by which the bill was passed is reconsidered; and, on objection from the Senator from Oregon, the bill will be temporarily passed over.

Mr. CORDON subsequently said: Mr. President, so far as as I am concerned, I withdraw any objection to House bill 1131, and am glad to have it considered at any time during the call of the calendar.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 1131) was considered, ordered to a third reading, read the third time, and passed.

The PRESIDENT pro tempore. The clerk will state the next measure on the calendar.

#### DORIS D. CHRISMAN

The bill (S. 1164) for the relief of Doris D. Chrisman was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Doris D. Chrisman, of Daytona Beach, Fla., the sum of \$5,000, in full satisfaction of her claim against the United States for compensation for personal injuries sustained by her, and for reimbursement of hospital, medical, and other expenses incurred by her, as a result of an accident which occurred when the automobile in which she was riding collided with a United

States Army vehicle, on United States Highway No. 1, 3 miles south of Oak Hill, Fla., on November 12, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### HOWARD A. YEAGER

The bill (H. R. 4570) for the relief of Howard A. Yeager was considered, ordered to a third reading, read the third time, and passed.

#### ESTATE OF MRS. ELIZABETH CAMPBELL

The bill (H. R. 1654) for the relief of the estate of Mrs. Elizabeth Campbell was considered, ordered to a third reading, read the third time, and passed.

#### E. W. STRONG

The bill (S. 1588) for the relief of E. W. Strong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mr. E. W. Strong, of Gasque, Ala., the sum of \$1,500, in full satisfaction of his claim against the United States for compensation for the destruction of his oyster bed in Oyster Bay, Baldwin County, Ala., as a result of dredging operations performed by the Corps of Engineers, United States Army, in 1943.

#### ESTATE OF FRANCIS D. SHOEMAKER

The bill (S. 1875) for the relief of the estate of Francis D. Shoemaker was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to E. P. S. Newman and Richard J. Taggart, as executors of the estate of Francis D. Shoemaker, the sum of \$54.49, which sum was awarded to Francis D. Shoemaker by the Supreme Court of the District of Columbia on December 24, 1925, as compensation for land condemned for streets in the District of Columbia and was paid into the court but was returned, under the rules of the court, to the United States Treasury when it was not claimed, the said Francis D. Shoemaker having died before collecting the sum: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### MRS. ESSIE N. FANNIN AND OTHERS

The bill (H. R. 697) for the relief of Mrs. Essie N. Fannin, Miss Helen Hicks, Miss Marie Hicks, Miss Frances Fannin, William O. Thompson, and Mrs. W. D. Thompson was considered, ordered to a third reading, read the third time, and passed.

#### MRS. FLORENCE BENOLKEN

The Senate proceeded to consider the bill (S. 69) for the relief of Mrs. Florence Benolken, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "\$4,257.48" and insert "\$306.43", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Mrs. Florence Benolken, of Omaha, Nebr., the sum of \$306.43, in full satisfaction of her claim against the United States for reimbursement of expenses and compensation for losses incurred by her as a result of having been erroneously advised by representatives of the War Department that she was not entitled to have her household goods shipped at Government expense from Seattle, Wash., to Omaha, Nebr., subsequent to the death in October 1942 of her husband, Lt. Francis John Benolken, while serving on active duty in the Army of the United States: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### DAN C. RODGERS

The bill (S. 576) for the relief of Dan C. Rodgers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Dan C. Rodgers, of Coquille, Oreg., the sum of \$213.12, in full satisfaction of his claim against the United States for compensation for damage to his automobile which occurred when a United States Navy airplane crashed near his residence in Coquille, Oreg., on October 15, 1944: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### MRS. RAIFORD D. SMITH

The bill (H. R. 1864) for the relief of Mrs. Raiford D. Smith was considered, ordered to a third reading, read the third time, and passed.

#### CHARLES G. MEYERS

The Senate proceeded to consider the bill (S. 148) for the relief of Charles G. Meyers, which had been reported from the Committee on the Judiciary with an amendment, on page 1, in line 6, after the words "sum of", to strike out "\$10,-

000" and insert "\$4,000", so as to make the bill read:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Charles G. Meyers, of Lyman, Wash., the sum of \$4,000, in full satisfaction of his claim against the United States for compensation for personal injuries and loss of earnings sustained by him and for reimbursement of hospital, medical, and other expenses incurred by him as a result of having been hit, while engaged in the pursuit of his occupation as a fishing guide, by a bullet fired by an Army officer during target practice at Camp Lyman, Wash., on February 14, 1943: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any amount not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### PAYMENT TO MEMBERS OF MESCALERO APACHE INDIAN TRIBE

The bill (S. 1468) providing for payment of \$50 to each enrolled member of the Mescalero Apache Indian Tribe from funds standing to their credit in the Treasury of the United States was considered, ordered to be engrossed for a third reading, read the third time and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Interior is authorized and directed to withdraw from the Treasury so much as may be necessary of the trust funds on deposit to the credit of the Mescalero Apache Tribe, and to make therefrom payment of \$50 to each enrolled member of such tribe. The money paid to such members under this act shall not be subject to any lien or claim of any nature against any of such members.

#### KLAMATH INDIANS IN OREGON

The Senate proceeded to consider the bill (H. R. 2502) to provide for the general welfare and advancement of the Klamath Indians in Oregon, which has been reported from the Committee on Interior and Insular Affairs with an amendment, on page 2, beginning in line 8, to strike out:

Notwithstanding the provisions of any prior act or acts relating to the enrollment of members of the Klamath Tribes, the Secretary of the Interior is authorized, by and with the consent and recommendation of the General Council of the Klamath Tribes or its duly authorized representative, to eliminate from the roll any member or class of members for such cause as, to the Secretary and the said General Council or its representative, shall be found just and reasonable upon such investigation or hearing as the Secretary may determine.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

# COMPENSATION OF COMMISSIONERS FOR THE TERRITORY OF ALASKA

The bill (H. R. 3973) relating to the compensation of commissioners for the Territory of Alaska was announced as next in order.

Mr. KNOWLAND. Mr. President, may we have an explanation of this bill?

Mr. BUTLER. Mr. President, as stated in the title, this bill relates to the compensation of commissioners for the Territory of Alaska. The purpose of the bill is to increase from \$3,000 to \$5,000, as annual compensation, the net fees which may be retained by United States commissioners in Alaska. The present limitation of \$3,000 was established in 1900, and never has been changed. It now has become apparent that it is impossible to secure good men for these positions at the \$3,000 figure. The occupants of these positions have not benefited at all from the various pay-increase acts which have made increased pay available to other Government employees.

The bill does not require any increase in appropriations, inasmuch as the revenues with which to pay these fees are derived from the fees earned.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. CONNALLY. Mr. President, I should like to ask the Senator a question. Of course, if the commissioners do not earn the fees, they do not receive any pay; is that correct?

Mr. BUTLER. That is correct.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

# ACQUISITION OF LANDS WITHIN GLACIER NATIONAL PARK

The bill (H. R. 4980) relating to the acquisition by the United States of State-owned lands within Glacier National Park, in the State of Montana, and for other purposes, was considered, ordered to a third reading, read the third time, and passed.

# ADDITION OF LANDS TO SHASTA NATIONAL FOREST

The bill (H. R. 3175) to add certain public and other lands to the Shasta National Forest, Calif., was considered, ordered to a third reading, read the third time, and passed.

# ARRESTS WITHIN CERTAIN FEDERAL RESERVATIONS

The bill (H. R. 3936) to authorize the United States Park Police to make arrests within Federal reservations in the environs of the District of Columbia, and for other purposes, was announced as next in order.

The PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

Mr. LANGER. May we have an explanation of the bill, Mr. President?

Mr. BUTLER. Mr. President, this bill would authorize the United States Park Police to make arrests within Federal

reservations in the environs of the District of Columbia where no other police jurisdiction applies. The United States Park Police would thus be authorized to make arrests on roads, parks, parkways, and other Federal areas in adjoining counties—for instance, in Virginia—over which the United States has acquired exclusive jurisdiction. The bill does not apply to the District of Columbia.

Although the United States has acquired jurisdiction to these areas, its officers do not have power to make arrests therein. Neither do the State officers. As a result, considerable difficulty has been experienced in numerous cases.

The proposed legislation has been taken up with the Federal Works Agency, the Department of Justice, and the law-enforcement officials of the State of Virginia; and they have no objection.

The House of Representatives has added an amendment declaring that the jurisdiction of the FBI shall not be affected in any way.

Mr. CONNALLY. Mr. President, what are these Federal territories? Is one of them, for instance, the highway to Mount Vernon?

Mr. BUTLER. In the consideration of the bill, I remember distinctly that one of the illustrations used was land in the vicinity of the Pentagon Building. That is adjoining territory lying adjacent to the District of Columbia.

Mr. CONNALLY. Where can we find authority for holding these lands to be Federal territory? Does that authority appear in acts of Congress, or does it simply come from usage?

Mr. President, it seems to me that if we act too hastily in regard to giving Federal authority over portions of the States of Maryland or Virginia, we may cause considerable conflict with the State authorities from time to time.

Mr. BUTLER. The fact is that these matters were taken up with the Federal Works Agency, which has charge of considerable construction and other work in this area, and also with the Department of Justice and the law-enforcement officials of the State of Virginia. All of them were consulted, and none of them filed any objection to the proposed procedure.

Mr. CONNALLY. How about the State of Maryland? Was it consulted?

Mr. BUTLER. If Maryland is included, the officials of that State were consulted.

Mr. CONNALLY. Maryland is still a part of the Union.

Mr. BUTLER. As I previously stated, the United States has acquired exclusive jurisdiction to the areas in question. The State of Virginia ceded to the Federal Government the land upon which the Pentagon Building now stands, and also the area surrounding it. It is testified that at the present time no one has jurisdiction over that land. The purpose of the bill is to give the Federal Government jurisdiction over land which falls in that category.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. BUTLER. I yield.

Mr. CORDON. I should like to throw a little further light on the question asked by the Senator from Texas. There is no jurisdiction given to police officers of the Federal Government except in those areas in which the United States has or shall hereafter apply exclusive and concurrent criminal jurisdiction. Either the jurisdiction exists or it must exist before the Park Police would have authority to make arrests. The reason for the bill arose because a question was raised as to just where the line of jurisdiction of officers of different types lies. This bill would simply broaden and clarify authority with reference to Park Police in those areas in which jurisdiction exists.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill (H. R. 3936) was considered, ordered to a third reading, read the third time, and passed.

# EXTENSION OF FEDERAL AIRPORT ACT TO VIRGIN ISLANDS

The bill (S. 2081) to extend the provisions of the Federal Airport Act to the Virgin Islands was announced as next in order.

Mr. BREWSTER. Mr. President, I should like to inquire why an amendment to the Federal Airport Act should not be referred to the committee which sponsored the legislation. I thought that was the rule of the Senate.

The PRESIDENT pro tempore. If the Senator from Maine is addressing his inquiry to the Chair, the Chair will say that the reference was made because it primarily involved the Virgin Islands, which are under the jurisdiction of the Committee on Interior and Insular Affairs.

Mr. BREWSTER. I thought there was a rather long-standing practice that any amendment to existing legislation should be referred to the committee which handled it in the first place.

The PRESIDENT pro tempore. The Chair thinks the Senator has made a very persuasive argument upon that point. This, again, is one of the borderline cases, for which we have few precedents under the Reorganization Act. It was the opinion of the Parliamentarian that the appropriate jurisdiction was as indicated.

Mr. BREWSTER. I will simply ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

Mr. BREWSTER subsequently said: Mr. President, when Senate bill 2081 was first reached during the call of the calendar, I objected. That bill is Calendar No. 979.

I now understand that this bill merely extends the provisions of the Federal Airport Act to the Virgin Islands. I think reference to the Virgin Islands probably was omitted by inadvertence at the time when the original legislation was enacted.

I did have a serious question as to the appropriateness of the reference; and I

would not wish the action of the Senate in this connection to establish any precedent to the effect that amendments dealing with the Federal Airport Act should not be referred, normally, to the Committee on Interstate and Foreign Commerce.

But under the circumstances, I do not deem the point to be of sufficient importance to warrant a continuation of the objection.

The PRESIDING OFFICER. The Chair understands that the Senator from Maine has withdrawn his objection to the present consideration of Senate bill 2081, the title of which will be stated.

The CHIEF CLERK. A bill (S. 2081) to extend the provisions of the Federal Airport Act to the Virgin Islands.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, after line 8, to strike out

(2) Adding a new subsection (e) to section 5 thereof to read as follows:

"ANNUAL APPROPRIATIONS FOR PROJECTS IN THE VIRGIN ISLANDS

"(e) For the purpose of carrying out this act with respect to projects in the Virgin Islands, annual appropriations amounting in the aggregate to \$1,000,000 are hereby authorized to be made to the Administrator over a period of 7 fiscal years beginning with the fiscal year ending June 30, 1948. The appropriations for any such fiscal year shall remain available until June 30, 1954, unless sooner expended. Not to exceed 5 percent of any such annual appropriation, as specified in the act making such appropriation, shall be available to the Administrator for necessary planning and research and for administrative expenses incident to the administration of this act with respect to projects in the Virgin Islands; and the amount so available shall be deducted from such appropriation for the purpose of determining the amount thereof available for grants for projects therein."

And on page 2, in line 19, before the word "Adding", to strike out "(3)" and insert "(2)", so as to make the bill read:

*Be it enacted, etc.,* That the Federal Airport Act of 1946 is hereby amended by—

(1) Adding after the words "Puerto Rico", wherever they appear in paragraph 7 of section 2 (a) and in sections 3 (a), 7, and 9 (c) thereof, the phrase "and the Virgin Islands."

(2) Adding after the word "Alaska", appearing in section 10 (c) the phrase "and the Virgin Islands."

The amendments were agreed to.

Mr. BUTLER. Mr. President, in connection with this bill, Senate 2081, which was referred to the Committee on Interior and Insular Affairs, I agree with the Senator from Maine that that reference should not establish any definite precedent as to the reference of bills in the future. I think the committee in question has very proper jurisdiction at this time; but had the bill been referred to the committee ordinarily having charge of Federal airport legislation, I would have had no objection; and I shall have no objection in the future if such bills are so referred.

The PRESIDING OFFICER. If there be no further amendments to be pro-

posed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (S. 984) to prohibit discrimination in employment because of race, religion, color, national origin, or ancestry was announced as next in order.

Mr. CONNALLY. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### DIONISIO R. TREVINO

The bill (S. 188) for the relief of Dionisio R. Trevino was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Attorney General is directed to cancel forthwith any warrant of arrest, order of deportation, warrant of deportation, and bond, if any, in the case of Dionisio R. Trevino, and is directed not to issue any such further warrants or orders in the case of such alien insofar as any such further warrants or orders are based upon the same grounds as the warrants or orders required by this act to be canceled. For the purposes of the immigration and naturalization laws, the said Dionisio R. Trevino, who arrived at Brooklyn, N. Y., on or about April 25, 1934, as a seaman on the steamship *Mave Mar*, which he deserted on or about April 25, 1934, shall, upon the payment of the required head tax, be held and considered to have been lawfully admitted to the United States for permanent residence at such place and on such date. Upon the enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the Spanish quota of the first year that such quota becomes available.

#### MARY GEMMA KAWAMURA

The bill (S. 675) to provide for the naturalization of Mary Gemma Kawamura was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That notwithstanding the racial limitations contained in section 303 of the Nationality Act of 1940, as amended (sec. 1, Public Law 483, 79th Cong.; ch. 543, 2d sess.), Mary Gemma Kawamura, if otherwise admissible to citizenship, may be naturalized as a citizen of the United States upon full and complete compliance with all of the requirements of the Nationality Act of 1940, as amended.

#### MRS. JACINTA SANTOS HARN AND OTHERS

The bill (S. 1046) for the relief of Mrs. Jacinta Santos Harn and others was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That notwithstanding the provisions of Public Law No. 483 of the Seventy-ninth Congress, requiring that persons of the Filipino race, born in the Philippine Islands, who desire to migrate to the United States, shall secure immigration visas chargeable to the Philippine quota, Mrs. Jacinta Santos Harn, Dr. Charles S. Harn, Helen Harn, Winifred Mary Harn, and James Harn, may, if otherwise admissible, be admitted to the United States without such visas: *Provided*, That at the time of their admission a quota deduction of one for each alien admitted shall be made from the Philippine quota for the fiscal year then current or the next following.

#### ANNA PECHNIK

The bill (S. 1142) for the relief of Anna Pechnik was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, in the administration of the immigration and naturalization laws, Anna Pechnik, of Los Angeles, Calif., shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of her last actual entry into the United States, upon payment by her of the visa fee of \$10 and the head tax of \$8.

SEC. 2. Notwithstanding any other provision of law, the Attorney General is authorized and directed to cancel any outstanding warrant of arrest, order of deportation, and bond issued in the case of Anna Pechnik, of Los Angeles, Calif. From and after the date of enactment of this act, the said Anna Pechnik shall not again be subject to deportation by reason of the same facts upon which any such warrant and order have issued.

#### JOHN FREDERICK FIRTH-HAND

The bill (S. 1742) for the relief of John Frederick Firth-Hand was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, in the administration of the immigration laws, John Frederick Firth-Hand shall, upon application at a port of entry into the United States, be admitted for permanent residence without an immigration visa, provided he meets all the other requirements of the immigration laws. Upon his admission into the United States, the Secretary of State shall deduct one number from the quota for India for the year in which the admission occurs or from the quota of the first available succeeding year.

#### JOHN CLARK SHARMAN

The Senate proceeded to consider the bill (S. 1550) for the relief of John Clark Sharman, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and to insert:

That John Clark Sharman, the son of Hilda Hartwell Sharman, a native-born citizen of the United States who lost her United States citizenship by voting in a foreign election on July 5, 1945, but who reacquired it on May 1, 1947, shall be held and considered to have acquired United States citizenship at birth under the provisions of section 201 (g) of the Nationality Act of 1940 (54 Stat. 1138-1139; 8 U. S. C. 601).

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### DAMIAN ARRUTI

The Senate proceeded to consider the bill (S. 969) for the relief of Damian Arruti, which had been reported from the Committee on the Judiciary with an amendment, to strike out section 3, as follows:

SEC. 3. Notwithstanding any other provision of law, the said Damian Arruti may be naturalized as a citizen of the United States by taking the oath of allegiance, in the manner prescribed in the naturalization laws, before any court having jurisdiction of the naturalization of aliens.

So as to make the bill read:

*Be it enacted, etc.,* That in the administration of the immigration laws Damian Arruti, of Mountain Home, Idaho, shall be held and

considered to have been lawfully admitted to the United States for permanent residence as of the date of his actual entry into the United States, upon the payment by him of the visa fee of \$10 and the head tax of \$8.

SEC. 2. Upon the enactment of this act the Secretary of State is authorized and directed to instruct the proper quota-control officer to deduct one number from the nonpreference category of the first available Spanish immigration quota.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### FRANCES ETHEL BEDDINGTON

The Senate proceeded to consider the bill (S. 1331) for the relief of Frances Ethel Beddington, which had been reported from the Committee on the Judiciary with an amendment, to insert a new section at the end of the bill, as follows:

SEC. 2. Upon enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for white persons born in India of the first year that said quota is available.

So as to make the bill read:

*Be it enacted, etc.,* That, in the administration of the immigration and naturalization laws, the Attorney General be, and he is hereby, authorized and directed to record the lawful admission for permanent residence of Frances Ethel Beddington as of December 16, 1945, the date she was admitted temporarily to the United States.

SEC. 2. Upon enactment of this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the quota for white persons born in India of the first year that said quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### VERA FRANCES ELICKER

The bill (H. R. 621) for the relief of Vera Frances Elicker was considered, ordered to a third reading, read the third time, and passed.

#### DR. GISELA PERL (KRAUSZ)

The bill (H. R. 1139) for the relief of Dr. Gisela Perl (Krausz) was considered, ordered to a third reading, read the third time, and passed.

#### EDWIN OSGOOD COGAN AND OTHERS

The bill (H. R. 1929) for the relief of Edwin Osgood Cogan and others was considered, ordered to a third reading, read the third time, and passed.

#### ROBERT WILHELM GERLING

The bill (H. R. 3742) for the relief of Robert Wilhelm Gerling was considered, ordered to a third reading, read the third time, and passed.

#### BILL PASSED OVER

The bill (S. 2242) to authorize for a limited period of time the admissions into the United States of certain European displaced persons for permanent residence, and for other purposes, was announced as next in order.

Mr. LANGER. I ask that the bill go over.

The PRESIDENT pro tempore. The bill will be passed over.

#### REGULATION OF GREAT LAKES NAVIGATION

The bill (H. R. 2293) to amend the act entitled "An act to regulate navigation on the Great Lakes and their connecting and tributary waters," approved February 8, 1895, was announced as next in order.

Mr. WHERRY. Over.

Mr. REED. Mr. President, I hope the Senator will withhold his objection to House bill 2293. The purpose of the bill is to amend the rules of navigation on the Great Lakes and their connecting and tributary waters, and it is desired that the legislation go into effect immediately, because the navigation season will open the latter part of March or by the first of April. This is a bill as to which all parties are agreed. It was unanimously passed by the House of Representatives, and was reported unanimously by the Senate Committee on Interstate and Foreign Commerce. All the changes are agreed changes, with one slight exception as to which there is a small difference of opinion. The committee considered it carefully, and I urge that the bill be passed at this time because of the urgency of making the changes before the lake navigation season shall open.

The PRESIDENT pro tempore. Is there objection to the consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

#### EDWARD TRAPIER ROGERS

The bill (S. 1307) for the relief of Edward Trapiier Rogers was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Edward Trapiier Rogers, of Raleigh, N. C., the sum of \$25,000, in full satisfaction of his claim against the United States for compensation, in addition to that provided by other provisions of law, for personal injuries sustained by him as a result of an explosion which occurred while he was mixing certain ingredients in the course of an experiment which he was performing as a civilian employee of the War Department at Edgewood Arsenal, Md., on October 31, 1946: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### ESTATE OF NORMAN C. COBB AND OTHERS

The bill (H. R. 993) for the relief of the estate of Norman C. Cobb and others was considered, ordered to a third reading, read the third time, and passed.

#### LOUIS L. WILLIAMS, JR.

The bill (S. 1630) for the relief of Louis L. Williams, Jr., was considered, ordered to be engrossed for a third read-

ing, read the third time, and passed, as follows:

*Be it enacted, etc.,* That Louis L. Williams, Jr., of the Public Health Service, is hereby relieved of all liability, both as to principal and interest, under the claim of the United States arising out of the reimbursement to him of the sum of \$560.16 from the appropriation "Preventing the Spread of Epidemic Diseases, Public Health Service, 1940," for payment made by him in December 1939 for one Ford coupe automobile purchased in Kunming, China, and for various items incident to repair, maintenance, and operation of the automobile; and the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Louis L. Williams, Jr., an amount equal to the aggregate of any amounts which may have been paid by Louis L. Williams, Jr., or which may have been withheld from amounts otherwise due him, in partial satisfaction of such claim. In the settlement of the accounts of Louis L. Williams, Jr., as a disbursing officer of the United States, full credit shall be given him for such sum of \$560.16.

#### LAWSON ASHBY, AND OTHERS

The bill (H. R. 408) for the relief of Lawson Ashby and others was considered, ordered to a third reading, read the third time, and passed.

#### JEANETTE C. JONES AND MINOR CHILDREN

The Senate proceeded to consider the bill (S. 1312) for the relief of Jeanette C. Jones and minor children, which had been reported from the Committee on the Judiciary, with an amendment, to strike out all after the enacting clause and to insert:

That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jeanette C. Jones, of New York, N. Y., widow of Paul Jones, late a veteran of the World War (XC-1032188), for herself and her minor children by said Paul Jones, the sum of \$4,971.33, in full settlement of all claims of the said Jeanette C. Jones and the said minor children for losses sustained due to erroneous advice gratuitously furnished by the Veterans' Administration with regard to her entitlement to death compensation benefits for herself and minor children, and as retroactive payment of death compensation benefits for the period from April 16, 1932, to June 11, 1939: *Provided,* That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### AMENDMENT TO GENERAL BRIDGE ACT OF 1946

The Senate proceeded to consider the bill (S. 1651) to amend the General Bridge Act of 1946.

Mr. WHERRY. Mr. President, I should like to have an explanation of the bill. Does it relate to a bridge in Ohio?

Mr. REVERCOMB. Mr. President, I am very glad to give an explanation of the bill to the Senator. The bill is to amend the General Bridge Act of 1946,

which provides that where consent is given for the building of a toll bridge over a federally controlled stream, navigable river, or lake, the bridge must be paid for within a certain time, and the financial structure must require that the debt be paid off in 20 years. This bill would change the requirement to 30 years, because of the costs of construction.

Mr. WHERRY. I have no objection. The bill was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the General Bridge Act of 1946 be, and the same is hereby, amended by striking out section 506 thereof and by inserting in lieu of said section a new section to be designated as section 506 and to read as follows:

"Sec. 506. If tolls are charged for the use of an interstate bridge constructed or taken over or acquired by a State or States or by any municipality or other political subdivision or public agency thereof, under the provisions of this title, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating the bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize the amount paid therefor, including reasonable interest and financing cost, as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of completing or acquiring the same. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the amount paid for acquiring the bridge and its approaches, the actual expenditures for maintaining, repairing, and operating the same, and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested."

#### LAKE CHOUTEAU, OKLA.

The bill (S. 1958) to provide for the designation of the reservoir formed by the dam on the Grand River near Fort Gibson, Okla., as Lake Chouteau, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the reservoir formed between Salina and Fort Gibson, Okla., by the impounding of the waters of the Grand River by the dam now under construction north of Fort Gibson shall be known and designated on the public records as "Lake Chouteau" in honor of Maj. Jean Pierre Chouteau, who established the first white settlement in Oklahoma and was the first white man to navigate the Grand River which was named by him.

#### BILL PASSED OVER

The bill (S. 2201) supplementing the act entitled "An act authorizing the State of Maryland by and through its State Roads Commission or the successors of said commission, to construct, maintain, and operate bridges," was announced as next in order.

Mr. O'CONOR. Mr. President, in requesting that the bill go over, I will say that the senior Senator from Maryland [Mr. TYDINGS] is vitally interested in this proposed legislation but cannot be present today.

The PRESIDENT pro tempore. The bill will be passed over.

#### THOMAS D. SHERRARD

The bill (H. R. 3964) for the relief of Thomas D. Sherrard was considered, ordered to a third reading, read the third time, and passed.

#### SGT. JOHN H. MOTT

The bill (S. 182) for the relief of Sgt. John H. Mott was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.*, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Sgt. John H. Mott, of Denver, Colo., the sum of \$83, in full satisfaction of this claim against the United States for refund of a forfeiture of pay which was imposed upon him on November 11, 1944, by the commanding general, Second Air Force, who subsequently determined that he had erroneously punished the said John H. Mott: *Provided*, That no part of the amount appropriated in this act in excess of 10 percent thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding \$1,000.

#### COLUMBIA HOSPITAL OF RICHLAND COUNTY, S. C.

The bill (H. R. 431) for the relief of the Columbia Hospital of Richland County, S. C., was considered, ordered to a third reading, read the third time, and passed.

#### CHARLES E. CROOK AND B. L. FIELDER

The bill (H. R. 2268) for the relief of Charles E. Crook and B. L. Fielder was considered, ordered to a third reading, read the third time, and passed.

#### MRS. INGA PATTERSON

The bill (H. R. 1152) for the relief of Mrs. Inga Patterson, widow of F. X. Patterson, was considered, ordered to a third reading, read the third time, and passed.

#### EXPORTATION OF SURPLUS AGRICULTURAL COMMODITIES

The joint resolution (S. J. Res. 187) authorizing the Secretary of Agriculture to utilize section 32 funds to encourage the exportation of surplus agricultural commodities and products thereof under foreign-aid programs was announced as next in order.

Mr. SALTONSTALL. Mr. President, may we have an explanation of the joint resolution? I make the inquiry because last December, if I remember correctly, the Committee on Appropriations reported a measure providing fifty-seven and one-half million dollars additional for the Commodity Credit Corporation, in order that food might be sent abroad at caloric value. That affected fruit in California and certain other commodities. I should like to know what this joint resolution would do, and if it would add to the appropriation for the Commodity Credit Corporation.

Mr. AIKEN. Mr. President, as the Senator from Massachusetts has stated, the emergency relief bill of last Decem-

ber authorized the Commodity Credit Corporation to incur a loss of up to fifty-seven and one-half million dollars in shipping perishable foods overseas at the caloric value. The loss was incurred very rapidly. For instance, potatoes delivered overseas were worth \$1.11 a hundred at the caloric value. The transportation costs were \$1.07, leaving only 4 cents to be returned to the Government.

Other obligations have been made for the shipment of eggs, citrus fruit juices, and dried fruits. The fifty-seven and one-half million dollars has been entirely obligated, and there is still a great need for supporting the price of dried fruits and citrus juices. Only this morning the Committee on Agriculture and Forestry held a hearing on a certain bill, and it was brought out at the hearing that grapefruit and orange growers are now getting anywhere from 5 to 25 cents a box for their fruit. There are about 70,000 tons of dried fruit, principally prunes and raisins, on the Pacific coast with which something must be done, or they will have to be dumped. At the present time the Department of Agriculture cannot even dispose of what it has left on hand, to say nothing of supporting the price any further. Therefore it is asking for the restoration of the \$40,000,000 of section 32 funds, which were taken from it last summer by the appropriation bill.

The joint resolution further provides that these surplus perishable commodities shall be sold at the cost price, but the Secretary of Agriculture may contribute half the cost. In other words, they will be turned over to the European relief recovery program, not at caloric values—and of course citrus fruits have no caloric value whatsoever, although they have other values—at half the cost which the Department has been put to in attempting to support the prices.

Mr. SALTONSTALL. Mr. President, this measure restores \$40,000,000 of the Department of Agriculture appropriation which was cut off by the Budget. If that \$40,000,000 is restored, it will permit the Department of Agriculture, or the Commodity Credit Corporation, to sell at half price, the other half to be put up by the War Relief Agency of the War Department, to make up the full parity price in sending these commodities abroad.

Mr. AIKEN. The full amount of the support price. The Department has not been supporting citrus fruits, raisins, prunes, and so forth, at 90 percent of parity. It has been supporting potatoes at 90 percent of parity, as was required by the Steagall amendment. They have been purchasing raisins at 6½ cents a pound. I do not know what they have paid for grapefruit juice. They bought prunes at 9 cents a pound. Of course, that is not anywhere near parity. Whatever the cost, the relief agencies will pay half, and the other half will be charged up to the support price.

Mr. SALTONSTALL. If this is not done, then is it the opinion of the Senator that this food may have to go to waste, or be used for nonfood purposes?

Mr. AIKEN. It is my understanding that if the proposed action is not taken, the food may go to waste, because the only other outlet for it is in the normal channels of trade in this country, and it cannot be sold in that way at less than cost. The prices of citrus fruits and dried fruits generally have become so completely demoralized that they have practically no value on the market. They are selling in the open market for less than the support price, which was extremely low.

Mr. SALTONSTALL. So it is not a question of war relief in any way, or relief to foreign countries. The issue, is it not, is as to whether the Commodity Credit Corporation shall have an additional \$40,000,000 to support the market prices of certain commodities?

Mr. AIKEN. The Senator's understanding is correct.

Mr. CONNALLY. Mr. President—  
The PRESIDING OFFICER (Mr. Ives in the chair). Does the Senator from Vermont yield to the Senator from Texas?

Mr. AIKEN. I yield.

Mr. CONNALLY. I congratulate the Senator from Vermont. He will recall that section 32 was adopted some years ago. I think I offered the amendment in the Senate.

Mr. AIKEN. The Senator is correct.

Mr. CONNALLY. It was for the purpose of stimulating the exportation of agricultural commodities. We were at that time seeking measures to help agriculture. So that this is not a departure; it is simply making use of the policy we then adopted, which was arrested by the taking away of the funds. Is that correct?

Mr. AIKEN. The Senator is correct. Section 32 funds, which, under the law, would be available to the Department of Agriculture for this purpose, amounted to \$149,000,000. Out of that the Committee on Appropriations allocated \$65,000,000 to the school-lunch program, and then appropriated \$44,000,000 to the Department of Agriculture for the purpose of supporting prices. That left \$40,000,000, which ordinarily would have belonged to the Department of Agriculture to use for this purpose anyway, and that is what they are asking for now.

Mr. CONNALLY. As I recall, section 32 provides that 30 percent of the revenues from import duties may be set aside for the use of the Department of Agriculture, or some other agency, in paying what some would call export bounties to aid in the exportation of agricultural commodities to Europe and elsewhere.

Mr. AIKEN. That is correct.

Mr. CONNALLY. The pending measure merely provides that we shall return to a policy heretofore ordained and maintained by the Congress.

Mr. AIKEN. The Senator is entirely correct.

Mr. CONNALLY. We are doing it only in a limited way. Forty million dollars is a very small part of what ordinarily would be available.

Mr. AIKEN. One unfortunate effect of the provisions of the emergency relief

act which was passed last December has been that countries of Europe were purchasing limited amounts of the commodities affected through the normal channels of trade. However, when Congress enacted the legislation providing that they should be paid for at the caloric value of wheat, it is my understanding that the foreigners stopped their purchases through the normal channels of trade. They waited for these products to be delivered naturally at the caloric value, and, of course, the Senator knows that grapefruit and oranges, prunes and raisins, have other values, but very small caloric values.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

The PRESIDING OFFICER. The Chair does not like to interpose in the debate, but the Chair would observe that the Senator from Vermont has had the floor for about 10 minutes, and that the Senate is proceeding under the 5-minute rule. Therefore the Chair recognizes the Senator from Massachusetts.

Mr. AIKEN. The Senator from Vermont assumed that the questions were being asked in the time of the Senators asking them.

Mr. SALTONSTALL. Mr. President, I should like to ask the Senator from Vermont one more question. Is it the Senator's understanding that if the joint resolution shall be enacted, \$40,000,000 will become available, or will it have to go through the Committee on Appropriations?

Mr. AIKEN. I should prefer a parliamentary ruling on that question. I think it would have to go through the Committee on Appropriations.

Mr. SALTONSTALL. I ask the question because the explanation in the report says:

Senate Joint Resolution 187 also cancels the rescission of the remainder of section 32 funds by the act of July 30, 1947, and thereby makes available an additional \$40,000,000 for the purposes of section 32 for the fiscal year ending June 30, 1948.

Mr. AIKEN. There was a question in my mind as to whether the Committee on Appropriations had the authority to rescind the \$40,000,000 in the first place.

Mr. SALTONSTALL. But is it the understanding of the Senator from Vermont that the matter does have to go through the Appropriations Committee?

Mr. AIKEN. I would think not. I should prefer, however, that someone who has had more experience than I have had in parliamentary procedure answer that question.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. CONNALLY. I have not reviewed the subject recently, but it is my recollection of the provisions of section 32 that when the revenues came in they were, under section 32, automatically transferred to the fund we are speaking of. Therefore, action by the Appropriations Committee would not be required.

Mr. AIKEN. I agree with the Senator from Texas. There always was a question in my mind as to whether the Ap-

propriations Committee had the right to take away the funds through legislation attached to an appropriation bill.

Mr. WHERRY. Mr. President, will the Senator yield for a question in my time?

Mr. AIKEN. I shall be glad to answer the Senator in his own time.

Mr. WHERRY. Will the Senator restate the reason why it is that these surplus agricultural products cannot be sold in the United States?

Mr. AIKEN. Because they cannot be sold for less than the support price, which is 90 percent of parity in the case of fruit, and because the market has become so demoralized that the support price, even low as it is, of 6½ cents a pound for raisins and 9 cents a pound for prunes, is still higher than the market price.

Mr. WHERRY. Does the surplus the Senator from Vermont is speaking of include only dried and fresh prunes? Are not some dried eggs included, which we cannot sell?

Mr. AIKEN. Yes; but I think the eggs which were on hand have been largely disposed of.

Mr. WHERRY. Not long ago there were some \$30,000,000 worth of eggs on hand.

Mr. AIKEN. Fifty million dollars' worth.

Mr. THYE. Mr. President—

Mr. WHERRY. Just a minute, please.

The PRESIDING OFFICER. The Senator from Nebraska has the floor. Does the Senator yield to the Senator from Minnesota?

Mr. WHERRY. I shall be glad to do so in a moment. The point I want to make is that these products which are now surplus are so low in price as to be below the support price, and they cannot be sold in the United States below the support price. Therefore we are selling them abroad.

Mr. AIKEN. The Senator from Nebraska is correct.

Mr. WHERRY. Some agricultural products are becoming so low in price that we cannot even sell them here, because the price of the products in question is below the support price, low as it is.

Mr. AIKEN. Yes.

Mr. WHERRY. Mr. President, I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, I wanted to ask the Senator from Vermont a question concerning the eggs, a commodity of which the Senator from Nebraska was speaking when I first asked him to yield. There were on hand 60,000,000 pounds of frozen United States No. 1 eggs, and 29,000,000 pounds of powdered eggs, which the Commodity Credit Corporation had purchased, and which, under the various foreign-relief measures, it could not send abroad. The fact is that there were on hand 29,000,000 pounds of powdered eggs and 60,000,000 pounds of frozen United States No. 1 eggs which the Commodity Credit Corporation had offered for sale last October, and for which they had not obtained a buyer. The current value of those eggs was just a little lower than what the Commodity Credit Corporation

actually had invested in the eggs. Therefore this joint resolution was introduced in the attempt to have these eggs moved into the channel of European relief foods, and not have them charged up as an item of subsidy to the farmer in the support price Steagall amendment provision. The joint resolution is very timely and helpful, but I wanted to ask the Senator from Vermont whether he believes its enactment would affect the legislation contained in Senate bill 2202? Or should we attempt to amend the pending European recovery program legislation so that the question we are now discussing will not be a further question in the months and years to come?

Mr. AIKEN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Vermont to reply?

Mr. WHERRY. I yield for that purpose.

Mr. AIKEN. I think the joint resolution is necessary now, because the citrus fruit is spoiling. I do not think there is any time to lose. If the pending European recovery-plan measure means what it says, I cannot see how it would be effective with respect to the commodities we are discussing. There is a possibility of an ambiguous construction of the language of that bill. Its language would not be ambiguous at all if the pending joint resolution were passed.

Mr. THYE. If I may ask a further question, would the joint resolution extend even over into the provisions of Senate bill 2202? If it would do so, I would not offer an amendment; but if not, then I should like to offer an amendment to correct the situation.

Mr. WHERRY. Mr. President, I believe I have 1 minute left?

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. I simply want to point out to the Members of the Senate that in the case of certain agricultural products the prices have fallen so low that they cannot be sold in the United States, because the price of the products is below the support price. Therefore, we have to sell them across the water.

Mr. SALTONSTALL. Mr. President, will the Senator from Nebraska yield?

The PRESIDING OFFICER. The Senator from Nebraska has 15 seconds left.

Mr. WHERRY. I yield the 15 seconds to the Senator from Massachusetts.

Mr. SALTONSTALL. I wish to make a brief statement. It seems to me, Mr. President, that the whole question of agriculture-support prices should be examined. I believe that if the food to which reference has been made is in a marketable shape, it should be used for human food rather than be put to uses other than those of human consumption. Therefore, I believe the joint resolution should become law, but I hope the total subject will be reviewed, and reviewed carefully.

Mr. BREWSTER. Mr. President, I should like to inquire of the Senator from Vermont about the effect of the proposed legislation on the potato situation, which is, of course, of very great concern to us. I am familiar with the point which the Senator made about the caloric value of

potatoes. We do not quite like the comparison with wheat, as we think potatoes are perhaps in some ways a better food. But I should like to know what the impact of the pending measure will be when it provides that this is going to be "basis free along ship or free on board vessel, United States ports." The great difficulty with potatoes has been the cost of transportation.

Mr. AIKEN. That is correct.

Mr. BREWSTER. Because unless they are dried they contain some water.

Mr. AIKEN. In the time of the Senator from Maine I will say that the legislation does not affect the obligation on the Government to support the price of potatoes at 90 percent of parity, as it has been doing. It would do away with the necessity for disposing of the potatoes at 4 cents a hundred pounds. In fact, they are worth more than that for many other purposes. If the measure passes it will permit them still to be shipped for food to the central European countries which need them, without at the same time making the expense so great that the Department of Agriculture could not afford to use them for that purpose.

Mr. BREWSTER. Does the Senator have any indication that those responsible for feeding the people of Europe would take advantage of this provision in order to use whatever surplus commodities we have?

Mr. AIKEN. I understand that those responsible would probably reach an agreement with the Department of Agriculture whereby they would go 50-50. Of course, those in charge of the program in Europe would not be obliged to take these prunes, raisins, citrus fruits, and potatoes, and if there is any money left over, I understand that they hope to purchase a little tobacco for shipment overseas. They want to keep the perishables from spoiling first, however.

Mr. BREWSTER. Would the authority of the Administrator of the European relief program, assuming we should pass the ERP bill, also be included under the provisions of the measure we are now discussing, in the matter of procurement?

Mr. AIKEN. I would expect that is intended. If that is not covered by the joint resolution it certainly would be covered by the passage of the measure dealing with the European relief program, the so-called Vandenberg bill.

Mr. REVERCOMB. Mr. President, I desire to address a question to the Senator from Vermont on the subject of potatoes, the subject which has just been raised. I am advised that more than 25,000,000 bushels of the 1946 crop of potatoes were lost entirely, and that nearly one-half million bushels of the 1947 crop were destroyed.

Mr. BREWSTER. Twenty-six million bushels were destroyed, not lost.

Mr. REVERCOMB. Then they were destroyed and purposely lost. When we speak of potato-support price, it seems to me that so far as that program has been administered by the Department of Agriculture there is oversupport when it is administered in a manner so as to create such a surplus that potatoes in this country have to be destroyed. I wish to ask the Senator from Vermont in what way

the passage of the joint resolution would remedy the situation with respect to the loss of potatoes?

Mr. AIKEN. It would permit them to be used as food overseas rather than fed to stock at the rate of \$5 a carload in this country, or converted into alcohol at a very low price.

Mr. REVERCOMB. What prevented the potatoes which were lost or destroyed from being shipped abroad?

Mr. AIKEN. The law prevented it. There was a prohibition against shipping them overseas or selling them for human consumption at a cost less than the support price.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. REVERCOMB. I shall be glad to yield in a moment. I have only a limited time. I should prefer to have the Senator speak in his own time.

Mr. AIKEN. The support of potato prices has not cost anywhere near as much for the 1947 crop as for previous crops. Up to January 31 approximately \$6,000,000 had been spent. A year ago, of course, there was very heavy production which had to be supported.

Mr. REVERCOMB. I simply wish to make the observation that it appears from the figures that, instead of support, we have a great oversupport. We have a waste of money, the growth of too many potatoes and the destruction of food when we are talking about the need of food. I do not see how this measure could relieve that situation if the administrators of the act under the Department of Agriculture are to continue to oversupport the price of potatoes to the extent that too many potatoes will be produced, resulting in their destruction. That is one of the most wasteful things that has occurred in the Government.

The Senator says that the joint resolution would permit the shipment of potatoes abroad.

Mr. AIKEN. That is correct; and the Government is obligated to support the price of potatoes for this year. A number of potato growers appeared before the Committee on Agriculture and Forestry and stated that the 90-percent-of-parity support constituted an incentive price, and they suggested that it be reduced. We are now working on a new agricultural bill, and I can assure the Senator from West Virginia that this subject will be given consideration. The potatoes dealt with by the joint resolution are the potatoes which are already on hand and which we own, or potatoes which we are obligated to buy.

Mr. REVERCOMB. I am certainly glad to hear that some consideration will be given to the question of limitation of support. I am not objecting to the support, but I am objecting to the administration of it, which creates a situation of oversupply and too high support.

Mr. AIKEN. In the past few years we have learned how to grow so many potatoes to the acre that the support price does constitute an incentive to overproduction.

Mr. REVERCOMB. Does the Senator from Vermont feel that the passage of the joint resolution would relieve the situation with respect to the waste of potatoes?

Mr. AIKEN. I think it would prevent potatoes from being destroyed. I am speaking of potatoes which we already have to buy under the law. I think it would relieve the situation.

Mr. REVERCOMB. I am also advised that the problem will be further taken care of by legislation which would stop the oversupport of potato prices.

Mr. AIKEN. We hope to have a bill ready before long which will provide for the production of more commodities of which we are short, and do away with the overproduction of those which are already in surplus.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. REVERCOMB. I yield.

Mr. BREWSTER. I might reassure the Senator from West Virginia by stating that under the operations of the law the potato production of the country has declined by more than 75,000,000 bushels during the past year. That is about 20 percent. So potatoes are not a conspicuous example of this evil. A year ago they were. That was when the unfortunate episode of destruction occurred. This year potatoes are being used, and are in much more limited supply.

Mr. REVERCOMB. As I understand, half a million bushels of the 1947 crop were destroyed.

Mr. AIKEN. Those were early potatoes which could not be transported.

Mr. WHERRY. Mr. President, I should like to direct a question to the distinguished minority leader [Mr. BARKLEY] in his time.

The PRESIDING OFFICER. The Chair recognizes the Senator from Kentucky.

Mr. BARKLEY. Mr. President, I am not seeking recognition.

Mr. WHERRY. Mr. President, the Senator from Minnesota [Mr. THYE] raised a very important question. I should like to have his attention. The Senator from Minnesota raised an important question while I was detained from the Chamber, a question which I think might be involved in Senate bill 2202. On page 22 of that bill, in subsection (c) of section 12, beginning in line 12, the following language appears:

(c) In procuring from sources within the United States any agricultural commodity not in short supply in the United States for transfer by grant to any participating country in accordance with the requirements of such country, the Administrator shall, insofar as practicable and where in furtherance of the purposes of this act, provide for the procurement of an amount of each class or type of any such commodity in approximate proportion to the total exportable supply of such class or type of such commodity.

That is the reason why I am addressing this question to the minority leader. For the life of me I cannot understand that provision. I understand that the Senator from Kentucky can give us an explanation. If I interpret the provision correctly, it seems to me that in the event the bill should become law, if potatoes were in surplus, it would be necessary for the Administrator to see to it that each variety of potatoes, in proportion to the whole, was shipped. That provision might affect in some way different crops of potatoes throughout the country.

Mr. BARKLEY. The Senator is now speaking of a provision in the European Recovery Act?

Mr. WHERRY. Yes.

Mr. BARKLEY. The object of that provision was to make it possible to direct the attention of the Administrator to the procurement and distribution of surplus agricultural products wherever they were found, in proportion to the exportable supply of such agricultural products, without attempting to force on any country a commodity which it does not desire and is not in the habit of using. That is why the provision is so worded as to take into consideration the requirements of the recipient country. That is the reason for the provision that the Administrator "shall, insofar as practicable and where in furtherance of the purposes of this act, provide for the procurement of an amount of each class or type of any such commodity in approximate proportion to the total exportable supply of such class or type of such commodity."

The purpose is, in furnishing aid, to work off some of our surplus commodities.

Mr. WHERRY. I agree that that was what was intended. I raise the point only because the Senator from Minnesota made the point with respect to potatoes. If I correctly understand the minority leader, when potatoes are to be procured, the Administrator shall take out of the surplus—it must be a surplus commodity to begin with—a certain percentage of the varieties in surplus, in proportion to the total exportable supply of each variety of potatoes. If I correctly understand the provision, the same thing would be true of wheat.

Mr. BARKLEY. I do not see how the pending proposal would have any particular effect on wheat.

Mr. WHERRY. I am speaking about the recovery bill.

Mr. THYE and Mr. BREWSTER addressed the Chair.

The PRESIDING OFFICER. Does the Senator yield; and if so, to whom?

Mr. BARKLEY. I yield first to the Senator from Minnesota.

Mr. THYE. Mr. President, as I understand, the primary purpose of the joint resolution is to relieve or ease the situation so far as the Commodity Credit Corporation and its administrative restrictions are concerned. As I understand—and if I am not correct I should like to be corrected—there is a provision in the European relief bill which restricts food shipments involving commodities with a higher calorie cost than that of wheat. Naturally potatoes, eggs, and fruits all have a higher calorie cost than wheat. If we are so restricted a false demand is created upon the wheat market by creating a shortage in that cereal. On the other hand, at the same time we have more than 60,000,000 pounds of frozen eggs, and more than 29,000,000 pounds of dried eggs. We have potatoes in surplus, which are a problem. We also have the citrus problem. There is no reason for making ourselves short in the cereal crop while at the same time we have a surplus of other food crops. Why not amend the bill in such a way that potatoes, eggs, and citrus fruits may be shipped abroad in relief food shipments, rather than confining such shipments to

wheat? That is the only purpose of the joint resolution. I think it is an absolutely sound measure; and I believe that the emergency relief bill, Senate bill 2202, should have some such safety provision in it.

The PRESIDING OFFICER. The Senator from Kentucky has 30 minutes remaining.

Mr. BARKLEY. I yield to the Senator from Maine.

Mr. BREWSTER. I assume, Mr. President, that the words "class or type" are a technical term which the Senator has inserted.

Mr. BARKLEY. Yes.

Mr. BREWSTER. And I also assume it would also include Maine potatoes.

Mr. BARKLEY. Yes.

The PRESIDING OFFICER. Is there objection to the present consideration of the joint resolution?

Mr. WILLIAMS. Mr. President, I am inclined to agree with the Senator from Minnesota in regard to the measure; but inasmuch as it is of so much importance, I ask that it go over until we can discuss it further.

The PRESIDING OFFICER. Objection being made, the joint resolution will be passed over.

Mr. HOLLAND subsequently said: Mr. President, if I may have the attention of the junior Senator from Delaware [Mr. WILLIAMS], let me say I sincerely hope he will withdraw his objection to the present consideration of Senate Joint Resolution 187, because, if it is not passed, I understand it will put the Senate in the position of insisting that surplus supplies of potatoes on hand shall be converted into animal food or into alcohol, although there is a pressing need for them for human food.

So I sincerely hope the junior Senator from Delaware will recede from his opposition to present consideration and passage of the joint resolution.

I wish to associate myself clearly with the statement made by the junior Senator from Minnesota [Mr. THYE] as to the desirability of having the Senate immediately pass this joint resolution, without the enactment of which there will have to be a conversion into animal food or alcohol of potatoes and other food suitable for human consumption.

Mr. WILLIAMS. Mr. President, I do not think anyone has criticized any more than I have the policy of the Department of Agriculture about storing these potatoes. I understand there is nothing which now prohibits the Department of Agriculture from selling these potatoes in Europe if it sees fit to do so. This joint resolution merely provides that they may be disposed of at a reduced price. For instance, during the last year, a considerable number were sold in Argentina at a 50-percent reduction in price, while at the same time there were widespread protests in the United States about the cost of living in this country. I do not see why we should keep the cost of living to our citizens high and at the same time permit these potatoes to be sold to citizens of foreign countries at a 50-percent reduction in price. That does not seem to me to be a sensible thing to do, so I wish to study the matter a little further.

The PRESIDING OFFICER. Under the objection which has been made, the joint resolution has been passed over.

REORGANIZATION PLAN NO. 1—CONCURRENT RESOLUTION PASSED OVER

The PRESIDING OFFICER. The next measure on the calendar will be stated.

The concurrent resolution (H. Con. Res. 131) against adoption of Reorganization Plan No. 1 of January 19, 1943, was announced as next in order.

Mr. WHERRY. Mr. President, this measure is under the Reorganization Act, I believe.

Mr. BARKLEY. It is.

The PRESIDING OFFICER. The Senator's statement is correct.

Mr. WHERRY. This measure will have to be passed over at this time. I wish to announce that if it appears that the unfinished business, the European recovery bill, cannot be terminated one way or another by possibly Thursday or Friday of this week, the Senate will have to take action on this measure sometime soon. The Members of the Senate should recall that this reorganization plan, Concurrent Resolution No. 1, must be acted on by the 19th. Some determination regarding it must be made by that time. So I feel that we should hold ourselves in readiness to consider the concurrent resolution, if we find that the unfinished business, the European recovery bill, is not to be concluded by Thursday or Friday of this week. If we find that to be the case, one of those afternoons will have to be set aside for the consideration of this concurrent resolution.

Mr. BARKLEY. Mr. President, I certainly hope we shall dispose of the European recovery bill this week, even if we have to remain in session on Saturday. A number of Senators who now are absent have planned to return whenever they think the Senate is about to vote on the European recovery bill. Of course, it is desirable to have as large an attendance as possible when the Senate votes on the reorganization plan as well.

Mr. WHERRY. That is correct.

Mr. BARKLEY. So it occurs to me that we might arrange for a vote on this concurrent resolution relating to the Reorganization Act at such time, when a large number of Senators will be present in connection with the vote on the European recovery bill.

I realize that the reorganization plan concurrent resolution must be voted on by the 19th; but I suggest that it be passed over at this time until the Senate has either passed the European recovery bill or has exhausted every effort to have it passed promptly.

Mr. WHERRY. Today is March 8.

Mr. BARKLEY. Yes; and the concurrent resolution relating to the reorganization plan must be acted on by the 19th, which is 11 days from now.

Mr. WHERRY. Mr. President, I shall attempt to cooperate in every possible way with the Senator from Kentucky in regard to this matter. I have made the announcement so that the Senate may be in readiness.

Mr. BARKLEY. Of course, I have no desire to postpone action on the concurrent resolution relative to the reorganization plan, or to take any advantage of the situation in regard to the present unfinished business—the European recovery bill.

Mr. WHERRY. Certainly.

Mr. BARKLEY. Moreover, we realize that the reorganization plan concurrent resolution is a privileged matter which may be taken up at any time.

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. Objection being made, the concurrent resolution is passed over.

SUPERIOR NATIONAL FOREST, MINN.

The PRESIDING OFFICER. The next measure on the calendar will be stated.

The Senate proceeded to consider the bill (S. 1090) to safeguard and consolidate certain areas of exceptional public value within the Superior National Forest, State of Minnesota, and for other purposes, which had been reported from the Committee on Agriculture and Forestry, with an amendment, on page 8, in line 3, after the word "paid", to strike out "annually by the Secretary of the Treasury to the State of Minnesota such sums as shall be certified to him by the Secretary of Agriculture as equaling, as of the first day of the preceding fiscal year, the number of acres of national-forest land situated within the areas described in section 2 of this act multiplied by 12 cents per acre; and such sums" and insert "at the end of each fiscal year by the Secretary of the Treasury to the State of Minnesota the amount, if any, by which the payment made under the above-cited acts for such year is less than the sum certified to him by the Secretary of Agriculture as equaling, as of the first day of such year, the number of acres of national-forest land situated within the areas described in section 2 of this act multiplied by 7½ cents per acre; and such amount", so as to make the bill read:

*Be it enacted, etc.,* That to protect and administer more effectively the publicly owned lands within certain parts of the area described in section 1 of the act approved July 10, 1930 (46 Stat. 1020), and to accomplish certain public purposes explicit and implicit in sections 2 and 3 of said act, the Secretary of Agriculture is authorized and directed to acquire any lands or interest in lands, and appurtenances thereto, situated within the area described in section 2 of this act, where in his opinion development or exploitation, or the potentialities for development or exploitation, impair or threaten to impair the unique qualities and natural features of the remaining wilderness canoe country: *Provided, however,* That under the authority of this act no contiguous tract of land in one ownership, not exceeding 500 acres in the aggregate, shall be condemned if at the time of the approval of this act it is encumbered with a structure or structures of a permanent type suitable for human occupancy and if the owner thereof files written objections before expiration of the time for answering the petition in the proceedings.

SEC. 2. That the authority granted in section 1 of this act shall be supplemental to the authority granted by existing acts relating to the acquisition of lands for national-forest purposes and shall not be deemed as

repealing any portions of those acts; and said supplemental authority granted by section 1 of this act, but not the authority granted by existing acts, shall be confined to the following-described areas in Cook, Lake, and St. Louis Counties, State of Minnesota:

Township 63 north, range 2 west, fourth principal meridian, sections 5 to 8, inclusive.

Township 63 north, range 3 west, fourth principal meridian, sections 1 to 12, inclusive.

Township 63 north, ranges 4, 5, 6, 7 and 8 west, fourth principal meridian, entire townships.

Township 63 north, range 9 west, fourth principal meridian, south half section 19 and sections 20 to 36, inclusive.

Township 63 north, range 13 west, fourth principal meridian, section 6.

Township 63 north, range 14 west, fourth principal meridian, sections 1 to 12, inclusive, and 14 to 22, inclusive.

Township 63 north, range 15 west, fourth principal meridian, sections 1 to 3, inclusive.

Township 63 north, range 16 west, fourth principal meridian, sections 1 to 3, inclusive, 10 to 15, inclusive, and 22 to 24, inclusive.

Township 64 north, range 3 east, fourth principal meridian, south half section 7.

Township 64 north, range 2 east, fourth principal meridian, sections 1 to 12, inclusive.

Township 64 north, range 1 east, fourth principal meridian, sections 1 to 4, inclusive, south half section 7, sections 8 to 12, inclusive, 15 to 17, inclusive, and east half section 18.

Township 64 north, range 1 west, fourth principal meridian, sections 17 to 20, inclusive, and 29 to 32, inclusive.

Township 64 north, range 2 west, fourth principal meridian, sections 7 to 11, inclusive, and 13 to 36, inclusive.

Township 64 north, range 3 west, fourth principal meridian, sections 7 to 36, inclusive.

Township 64 north, range 4 west, fourth principal meridian, sections 6, 7, and 10 to 36, inclusive.

Township 64 north, ranges 5, 6, 7, and 8 west, fourth principal meridian, entire townships.

Township 64 north, range 9 west, fourth principal meridian, sections 1 to 24, inclusive.

Township 64 north, range 10 west, fourth principal meridian, sections 1 to 18, inclusive.

Township 64 north, range 11 west, fourth principal meridian, sections 1 to 4, inclusive, and 9 to 16, inclusive.

Township 64 north, range 13 west, fourth principal meridian, sections 5 to 8, inclusive, 15 to 22, inclusive, and 28 to 32, inclusive.

Township 64 north, range 14 west, fourth principal meridian, sections 6 to 36, inclusive.

Township 64 north, range 15 west, fourth principal meridian, sections 1 to 3, inclusive, and 10 to 36, inclusive.

Township 64 north, range 16 west, fourth principal meridian, sections 22 to 27, inclusive, and 34 to 36, inclusive.

Township 65 north, range 2 east, fourth principal meridian, entire township.

Township 65 north, range 1 east, fourth principal meridian, sections 19 to 30, inclusive, and 33 to 36, inclusive.

Township 65 north, range 1 west, fourth principal meridian, sections 19 to 30, inclusive.

Township 65 north, range 4 west, fourth principal meridian, sections 1 to 3, inclusive, 10 to 14, inclusive, and 31.

Township 65 north, range 5 west, fourth principal meridian, sections 6, 7, and 18 to 36, inclusive.

Township 65 north, ranges 6, 7, 8, 9, 10, and 11 west, fourth principal meridian, entire townships.

Township 65 north, range 12 west, fourth principal meridian, sections 1 to 17, inclusive, 20 to 27, inclusive, and 34 to 36, inclusive.

Township 65 north, range 13 west, fourth principal meridian, sections 1 to 3, inclusive, and 10 to 12, inclusive.

Township 65 north, range 14 west, fourth principal meridian, sections 18, 19, 30, and 31.

Township 65 north, range 15 west, fourth principal meridian, sections 13, 14, 23 to 26, inclusive, 35 and 36.

Township 66 north, range 4 west, fourth principal meridian, sections 3, 9, 16, 21, 22, 26 to 28, inclusive, and 32 to 36, inclusive.

Township 66 north, range 5 west, fourth principal meridian, sections 2, 8, 9, 16 to 20, inclusive, 30 and 31.

Township 66 north, range 6 west, fourth principal meridian, entire township.

Township 66 north, ranges 11, 12, and 13 west, fourth principal meridian, entire townships.

Township 66 north, range 14 west, fourth principal meridian, sections 1 to 28, inclusive, and 33 to 36, inclusive.

Township 66 north, range 15 west, fourth principal meridian, sections 1 to 17, inclusive, and 20 to 24, inclusive.

Township 66 north, range 16 west, fourth principal meridian, sections 1 to 5, inclusive, and 9 to 12, inclusive.

Township 67 north, ranges 13, 14, and 15 west, fourth principal meridian, entire townships.

Township 67 north, range 16 west, fourth principal meridian, sections 6 to 8, inclusive, 16 to 18, inclusive, 20, 21, 28, 29, and 32 to 34, inclusive.

Township 67 north, range 17 west, fourth principal meridian, those portions of sections 1, 12, and 13 east of Crane Lake.

Township 68 north, ranges 13, 14, 15, and 16 west, fourth principal meridian, entire townships.

Township 68 north, range 17 west, fourth principal meridian, that portion of section 36 east of Crane Lake.

Sec. 3. That lands shall be acquired by purchase or condemnation under the supplemental authority granted in section 1 of this act only with prior approval of the National Forest Reservation Commission created by section 4 of the act approved March 1, 1911 (36 Stat. 961), as amended, and lands so acquired shall become parts of the Superior National Forest and be subject to the provisions of said Act (36 Stat. 961), as amended, and of such other laws as apply to land acquired under the provisions of said act (36 Stat. 961), as amended, except as hereinafter provided.

Sec. 4. That upon finding and determination by the Secretary of Agriculture that the public purposes and objectives explicit and implicit in the act approved July 10, 1930 (46 Stat. 1020), more effectively can be accomplished by exchanging lands of the United States situated within the boundaries described in said act for other lands in State, county, or private ownership situated within the said boundaries which are more suitable for public ownership, management, and use, for the purposes contemplated by said act, such lands of the United States shall be subject to exchange under the provisions of the act of March 20, 1922 (42 Stat. 465), as amended, or the provisions of the act of March 3, 1925 (43 Stat. 1215).

Sec. 5. That in addition to the payment to the State of Minnesota under the provisions of the act of May 23, 1908 (35 Stat. 260), and of section 13 of the act of March 1, 1911, as amended (36 Stat. 961; 38 Stat. 441), there shall be paid at the end of each fiscal year by the Secretary of the Treasury to the State of Minnesota the amount, if any, by which the payment made under the above-cited acts for such year is less than the sum certified to him by the Secretary of Agriculture as

equaling, as of the first day of such year, the number of acres of national-forest land situated within the areas described in section 2 of this act multiplied by 7½ cents per acre; and such amount shall be expended for the benefit of the counties in which said national-forest lands are situated in the manner prescribed by State law for the expenditure of payments made under the acts cited above or in such other manner as the State legislature may hereafter prescribe: *Provided, however,* That the first payment to the State of Minnesota under the provisions of this section shall not be due until the close of the first full fiscal year after approval of this act.

Sec. 6. That there are hereby authorized to be appropriated annually such sums as are necessary to carry out the provisions of this act: *Provided, however,* That the total appropriations under the authority of this act shall not exceed \$500,000 for the purchase and condemnation of land.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### TOWN SITE OF WADSWORTH, NEV.

The bill (S. 1871) to restore certain lands to the town site of Wadsworth, Nev., was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That those portions of the town site of Wadsworth, Washoe County, Nev., which were added to the Pyramid Lake Indian Reservation by order of the Acting Secretary of the Interior, dated January 12, 1939, are hereby restored to and made a part of such town site. All proceeds from the disposition of lots within the lands restored to the town site of Wadsworth by this act, which shall be sold at a price of \$25 per lot, shall be deposited in the Treasury of the United States to the credit of the Pyramid Lake Paiute Tribe of Indians of the Pyramid Lake Indian Reservation, Nev.

The PRESIDING OFFICER. That completes the call of the calendar.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1393) to increase the permitted rate of allowance and compensation for training on the job under Veterans Regulation No. 1 (a), as amended.

The PRESIDING OFFICER. The calendar having been completed, the Senate now reverts to the consideration of the unfinished business.

#### EUROPEAN RECOVERY PROGRAM

The Senate resumed the consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. KNOWLAND. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 22, after line 20, it is proposed to insert a new subsection, as follows:

(d) No export shall be authorized pursuant to authority conferred by section 6 of the act of July 2, 1940 (54 Stat. 714), including any amendment thereto, of any commodity from the United States to any country wholly or partly in Europe which is not a participating country, if the Secretary of Commerce determines that the supply of such commodity is insufficient (or would be insufficient if such export were permitted) to fulfill the requirements of participating countries under this act as determined by the Administrator: *Provided, however,* That such export may be authorized if the Secretary of Commerce determines that such export is otherwise in the national interest of the United States.

Mr. KNOWLAND. Mr. President, this is the perfected language of the amendment I offered on March 2, perfected after consultation with the chairman of the Foreign Relations Committee, who, in turn, discussed the matter with the Department of State. I think there are ample safeguards in it now to protect the United States on a matter of policy where it would be in our national interest to make such exports. But at the same time I think it will clearly indicate the congressional intent that at least we should be getting a full quid pro quo for the exports that go out of this country into Russia or the satellite powers. As I pointed out the other day when I placed in the RECORD the list of exports to the U. S. S. R. and the list of imports from that country, it is true that we are getting certain basic materials from Russia, namely, chrome and manganese. But I call the attention of the Senate to the fact that while the value of metal imports from Russia to the United States in 1947 amounted to less than \$20,000,000, we were, in turn, exporting to them last year more than \$149,000,000 worth of materials—a large part of which consisted of industrial equipment—this added to her economic abilities and her war potentials. I think that this may at least serve notice on the administrative officials that we should be getting a full quid pro quo and should stop building up the one nation trying to obstruct the Marshall plan.

Mr. VANDENBERG. Mr. President, in the present form submitted by the able Senator from California, I believe there is no objection to the amendment. Personally, I should be very glad to have it agreed to.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from California.

The amendment was agreed to.

Mr. KNOWLAND. Mr. President, I send to the desk an amendment and ask that the clerk read it.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. At the end of section 11 (a) (2), it is proposed to insert:

The Administrator shall, in providing for the procurement of commodities under authority of this act, take such steps as may be necessary to assure, so far as is practicable, that at least 50 percent of the gross tonnage of commodities, procured within the United

States out of funds made available under this act and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates.

Mr. KNOWLAND. Mr. President, I offer the amendment and again perfected it after consultation with the chairman of the Foreign Relations Committee. The chairman I understand has had the matter up with the Department of State. It seems to me that the maritime industry and maritime labor should not be called upon to submit to an undue disadvantage under the Marshall plan. Certainly we are not importing low-paid foreign labor and putting the workers at work producing in American plants in order to give a reduction in the price of the commodity. Those in the maritime industry, and particularly labor in the maritime industry, do not feel that they should be unnecessarily or unjustifiably discriminated against in the program. The amendment provides that insofar as practicable at least 50 percent of the cargoes procured in the United States shall be shipped in American vessels, providing such vessels are available at market rates. I think there are ample safeguards in it to prevent the Government or the participating countries from having to pay an excessive rate on the shipments. But I want to call attention to the fact that while at the present time, according to the information furnished by the State Department, more than 50 percent of the cargoes are being carried by United States bottoms, though the percentage varies from month to month, that is true only so long as the bulk movements of coal and grain continue. When they drop off, as the European program succeeds, the percentage is very likely to drop to about 33 percent, which was a peak reached during the prewar period, over the 10 percent carried in 1914. I believe it is a constructive amendment and one that furnishes ample safeguards.

Mr. VANDENBERG. In the form finally submitted by the able Senator from California, which has the approval of all the authorities I have consulted on the subject, I think the amendment is entirely satisfactory. I hope it may be agreed to.

Mr. BREWSTER. Mr. President, I may say that I had an amendment very similar in character which I proposed, and which was pending, dealing with 50 percent of the commodities being procured within the United States. Under the change in the form of the amendment presented by the Senator from California, I understand he has now reduced it so it applies only to commodities procured within the United States. In that form it seems to me entirely agreeable, so that I withdraw the amendment now on the table, which I had proposed.

The PRESIDING OFFICER. The question is on agreeing to the amendment submitted by the Senator from California [Mr. KNOWLAND].

The amendment was agreed to.

Mr. WHERRY. Mr. President, I should like to add for the RECORD that inasmuch as my name was also on the amendment of the Senator from Maine,

because of the showing made in the Small Business Committee relative to the need I am in total agreement with the amendment that is now submitted by the Senator from California, which is in reality the same as the one that was submitted by the distinguished Senator from Maine and myself.

Mr. BALL. Mr. President, I send to the desk an amendment.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 29, line 2, it is proposed to strike out the words "valid rate of exchange" and insert in lieu thereof the following: "rate of exchange which will reflect with reasonable accuracy the relative purchasing power of such currency."

Mr. BALL. Mr. President, I rather expect this amendment to be controversial. Before I proceed to discuss it, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Alken	Gurney	Moore
Ball	Hatch	Morse
Barkley	Hayden	Myers
Brewster	Hickenlooper	O'Connor
Bricker	Hill	O'Daniel
Bridges	Hoey	O'Mahoney
Brooks	Holland	Overton
Buck	Ives	Pepper
Butler	Jenner	Reed
Byrd	Johnson, Colo.	Revercomb
Cain	Johnston, S. C.	Robertson, Va.
Capehart	Kem	Robertson, Wyo.
Capper	Kilgore	Russell
Chavez	Knowland	Saltonstall
Connally	Langer	Smith
Cooper	Lodge	Sparkman
Cordon	Lucas	Stennis
Donnell	McCarran	Taylor
Downey	McCarthy	Thomas, Okla.
Dworshak	McClellan	Thomas, Utah
Eastland	McFarland	Thye
Eaton	McGrath	Vandenberg
Ellender	McKellar	Watkins
Ferguson	McMahon	Wherry
Flanders	Malone	Wiley
Fulbright	Martin	Williams
George	Maybank	Wilson
Green	Millikin	

The PRESIDING OFFICER. Eighty-three Senators having responded to their names, a quorum is present.

The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL].

Mr. BALL. Mr. President, the amendment which I have offered, and which has been read, is the one submitted by me and the Senator from Nebraska [Mr. WHERRY] and lettered "B" with one change in line 4, in place of the word "actual," to insert the word "relative."

Mr. President, This is an amendment to section 15 of the pending bill, which deals with the bilateral and multilateral agreements to be negotiated by the Secretary of State, and to be the basic contracts, I understand, under which the whole program will operate.

Subdivision (b) of section 15 directs the Secretary of State to negotiate these agreements, and provides, reading from page 28:

Such agreement shall provide for the adherence of such country to the purposes of this act and shall, where applicable, make appropriate provision, among others, for—

(2) taking financial and monetary measures necessary to stabilize its currency, estab-

lish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

The amendment I have offered would strike out the words "a valid rate of exchange" at the top of page 29, and substitute the words "rate of exchange which will reflect with reasonable accuracy the actual purchasing power of such currency."

Mr. President, I think the purpose of the amendment is apparent. It merely seeks to correct the situation which every businessman with whom I have talked about the program says is one of the serious deterrents to speedy recovery in Europe, namely, the existence of legal, and valid I might say, rates of exchange which do not reflect accurately the relative purchasing power of the currencies involved.

France, for example, up until its recent action, had the franc pegged, as I recall, at 120 to the dollar, whereas in the free or black market, and in the free market maintained in Switzerland, the rate was about 300 to the dollar. Obviously in that kind of situation an American importer seeking to buy French goods had to pay more than twice as many dollars for the francs as the free market in foreign exchange indicated the francs were actually worth in terms of purchasing power. Therefore, when he finally got the French goods to America, he had to charge more than twice as much in dollars as he would if the foreign exchange rate had reflected the actual relative purchasing power of the two currencies.

Mind you, Mr. President, all the 16 countries in the CEEC program are suffering, we are told, from a shortage of dollars. The effect of these rates of exchange which are in excess of relative purchasing power is to price out of America many of their products, which otherwise might be exported to this country and provide dollar exchange.

As nearly as I could figure out, the only French goods that were coming into America in any quantity prior to the recent devaluation of the franc, were luxury goods, with respect to which price was a minor consideration.

I was informed this morning that the British pound is currently quoted on the Swiss foreign exchange, which is a free market for foreign exchange, at \$2.50, whereas its legal rate in Britain and the price which any American importer must pay for a pound is \$4.03, or thereabouts. I question whether the actual relative value of the British pound is that low, but it is considerably lower than the current exchange, which in turn tends to price British imports into the Americas right out of the market at the very time when, we are told, these countries must expand their exports in order to build up the dollar exchange necessary to pay for their essential imports.

I think the same situation is true with respect to several other countries.

Mr. CONNALLY. Which amendment is the Senator discussing?

Mr. BALL. The one lettered "B" dealing with the rate of foreign exchange.

Mr. President, I took the trouble to look up the meaning of the word "valid"

in legislation and, according to Webster's Dictionary, and to the lawyers I consulted, in law all the word "valid" means is "legal, sound, and sufficient." All the present rates of foreign exchange are valid, according to that definition. So it seems to me the language in the bill as it now stands does not direct the Administrator or the Secretary of State to do anything at all to correct this foreign exchange situation which businessmen have been unanimous in telling me is one of the major difficulties in the way of building up the exports of the countries affected so that they may become self-sufficient and pay for their necessary imports.

It seems to me that what we are seeking is to have these countries as rapidly as possible adopt rates of foreign exchange "which will reflect," as the amendment provides, "with reasonable accuracy the relative purchasing power of such currency."

Mr. President, I realize that it may be impossible for other reasons for these countries to move immediately the full way in that direction, but I call attention to the language on page 28, at the beginning of all the specific provisions which the Congress directs the Secretary of State to try to obtain in these bilateral and multilateral agreements:

Such agreement shall provide for the adherence of such country to the purposes of this act and shall—

And this is the important language—where applicable, make appropriate provision among others, for—

And so forth. It seems to me that that language "where applicable" and "make appropriate provision" provides the Secretary of State and the Administrator with extreme wide discretion in implementing the directives of Congress in the succeeding subsections. So, I think we are fully justified in spelling out much more clearly what we mean in terms of foreign exchange rates than does the present language in the bill, which merely says that these agreements shall, where applicable, make appropriate provision for a legal rate of exchange.

Mr. President, I submit that that provision as it stands is completely meaningless, and might just as well have been left out of the bill. I hope the amendment will be adopted.

Mr. VANDENBERG. Mr. President, the difficulty which the able Senator from Minnesota confronts is the difficulty in spelling out a definition of the appropriate basis for international exchange. I know of no subject which is more completely controversial than that. Definitions as to what constitutes appropriate international exchange differ with varying philosophies and schools of thought. For instance, I am told that the definition submitted by my able friend from Minnesota is essentially the philosophy of the so-called exchange school of thought in respect to what the definition of exchange ought to be, namely, that exchange should reflect the internal purchasing power of currency, instead of requiring as a basic obligation that countries should maintain their currencies in such a fashion as to stabilize the international rate—the exact

reverse of the rule submitted by the able Senator from Minnesota.

The text of the Senator's own amendment proves the precise point I am making, namely, that the Senate dare not undertake to put down in words what an accurate rule for international exchange in this world of flux is. When he wrote his amendment he proposed to say that the rate of exchange shall "reflect with reasonable accuracy the actual purchasing power of such currency." He does not want it that way this afternoon. He has changed it to read "rate of exchange which will reflect with reasonable accuracy the relative purchasing power of such currency." Perhaps upon reflection and further study we might want to change the rule again by tomorrow. I am very sure that it is a very dangerous thing for us to attempt to put down in black and white a rule of international exchange which we are going to propose to have enforced as the result of this legislation.

For instance, let us undertake to apply the definition submitted by the able Senator from Minnesota, "will reflect with reasonable accuracy the relative purchasing power of such currency." Well, if you are in France, is that the relative purchasing power relative to the American dollar or is it relative to the British pound? Precisely what does the phrase mean? There is no way, I respectfully submit, to safely undertake to put into words what a valid rate of exchange is.

The able Senator from Minnesota says that the word "valid" simply means "legal." I differ with him about that, and if he will consult the only dictionary that is available to the Senate at the moment, he will find that the word "valid" means—

Supported or defended by evidence which is sound and convincing; \* \* \* capable of being proved; sound; just; good; \* \* \* possessing not only formal correctness, but real cogency, so that the conclusion is as true as each of the premises.

We considered this problem in the committee. The bill as it first came to us, as I recall, contained the word "proper" at this point. The committee felt that the word "proper" did not carry quite enough—

Mr. CONNALLY. Validity.

Mr. VANDENBERG. Yes; validity; that it did not indicate the basic values of the validity which ought to be undertaken in establishing a rule of exchange. After a discussion of many words, the best word which the committee could find was the word "valid," as carrying the general directive as to what is being sought and what is being undertaken.

I respectfully submit, Mr. President, that the Senate should not undertake to write a rule in respect to the appropriate rate of exchange which is to be required under the terms of the proposed act. It must be left to the judgment, and particularly to the judgment of those who are expert in the business of dealing with exchange, which I certainly am not. I strongly doubt whether any Member of the Senate is. So I am forced to ask for a rejection of the amendment.

Mr. BALL. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. BALL. First, let me say that I changed the word "actual" to "relative" not because I thought it changed the meaning of the amendment as I intended it, but it seemed to me a better word, in that we are dealing with two currencies. As between the franc and the dollar, and between the franc and the British pound, what we are seeking is a rate of exchange which will reflect the relative purchasing powers of the two currencies involved. That was the only reason for the change. "Actual" did not seem to relate to two currencies as well as the word "relative." But let me ask the Senator, first, if he thinks this is spelling things out too specifically, in view of the language which I quoted from lines 12 and 13 on page 28 of the bill, which modifies all these subsections, and which seems to me to give the Secretary of State the broadest kind of discretion possible in negotiating these agreements. The language to which I refer provides that—

Such agreement shall provide for the adherence of such country to the purposes of this act and shall, where applicable, make appropriate provision—

And so forth. I believe that the word "appropriate" in any law has always been a word denoting quite a bit of discretion.

Mr. VANDENBERG. I completely agree with the Senator that the back door and the side door are open at this point, and that a definition inserted in the language of the bill at this point would find itself with considerable elastic in it.

But that is not the point which I submit to my able friend and to the Senate. I submit that there are different methods of approach to the problem of measuring appropriate exchange rates. The Senator is asking us to choose one of several different methods of appropriately measuring exchange rates. The other day, after I had talked with the Senator, I tried to find a rule. I wanted to see what the consensus of opinion seemed to be on the subject. The rule to which I found the most adherence is the rule that the rate of exchange shall most effectively contribute to equilibrium in the balance of payments. That is a totally different approach. I asked some others, and got some other definitions.

What I am saying to the Senator is that I think we find ourselves at this point in a highly technical field of definition. I do not believe that the Senator should ask the Senate to select one of several methods of approach to the definition of "appropriate international exchange." I repeat that between the time when the Senator from Minnesota had his amendment printed and the time when he offered it on the floor, he himself found it desirable, for perfectly sound reasons, to change the wording of his own proposal.

I do not think this is a question which will determine the destiny of the world one way or the other; but summing the matter up, it seems to me that the Senate should be satisfied to require a valid rate of exchange to be established, without undertaking to prescribe the rule and method by which it shall be done.

The word "valid" has a very definite connotation.

Mr. BALL. Mr. President, will the Senator further yield?

Mr. VANDENBERG. I yield.

Mr. BALL. The Senator read the entire definition of the word "valid" in Webster's International Dictionary. I agree that that definition is much broader than the definition under the heading "Law." It seems to me that in law the word "valid" has a much more restricted meaning than all the connotations which the Senator has sought to give it on the floor. As I understand, in law it means legally sound and legally sufficient. That is a much narrower and more restricted definition than that which the Senator read.

Like the Senator from Michigan, I am a former newspaperman. In a story or article the word "valid" means something very different, in my opinion, from what it means in a statute the meaning of which has been passed upon by the courts many times. As I understand, in law the meaning is quite narrowly restricted. It does not mean all the things the Senator suggested, such as "susceptible of valid and sufficient proof that it is adequate," and that sort of thing. I agree that that is a much wider definition.

Mr. VANDENBERG. Mr. President, I think that is all I can say on the subject. I do not believe that the Senate, in the absence of any dependable, concentrated opinion regarding an appropriate definition of exchange, should be asked to accept one definition as against several others which could be offered by way of alternative approach.

I believe that the entire spirit of the section of the bill to which the amendment attaches is perfectly clear:

Taking financial and monetary measures necessary to stabilize its currency, establish or maintain a valid rate of exchange, to balance its governmental budget as soon as practicable, and generally to restore or maintain confidence in its monetary system.

That is the sum total of a formula requiring intelligent and dependable stability and solvency. I think it would be most unfortunate if we were to undertake to spell out and embrace for ourselves one of several controversial definitions of what stable international exchange is.

Mr. BALL. Mr. President, the Senator from Michigan has made his usual convincing presentation. He has presented, as one of the alternative definitions of an acceptable rate of foreign exchange, one which will contribute most to the stability of the international balance of payments. I am somewhat in the dark as to just what that means.

Mr. VANDENBERG. I did not offer that definition. I feel the same way about it as I feel about the Senator's amendment. I do not know what it means. I do not know what the Senator's amendment would mean, if finally it should begin to operate. I do not want to be compelled to choose between half a dozen different formulas.

Mr. BALL. Mr. President, it seems to me that before the Western World embarked upon experiments in managed

economy and managed currency, world trade was on a pretty stable basis. The free market pretty much fixed the rate of foreign exchange as between any two currencies. That free market was the best judgment of those who were making purchases, as to the relative purchasing power of the currencies involved. When that particular theory of international trade and commerce prevailed, I think we had one of the most prosperous and progressive periods in the world's history.

Personally, I think the language which we have quoted at the beginning of this section leaves the administration plenty of leeway to adjust the directive of Congress to special situations which may occur in any individual country. But I, for one, in spite of the force of the argument of the Senator from Michigan, am perfectly willing to go on record as urging that, insofar as practicable, or where applicable, these agreements should make provision for a rate of exchange which will reflect with reasonable accuracy the relative purchasing power of the currencies involved. From my admittedly not expert or vast grasp of what goes on in trade and commerce, it seems to me that until that situation is achieved the beneficiary countries will be laboring under a terrific handicap in building up the exports which are so essential to balance their vital imports.

Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. KEM. Mr. President, I should like to ask a question of the Senator from Michigan. I have listened carefully to the colloquy between the Senator from Michigan and the Senator from Minnesota. I am afraid I do not understand what a valid rate of exchange would be.

I should like to ask the Senator from Michigan whether that means these contracts would specifically fix the rate as to each of the beneficiary countries. I refer, of course, to the rates of exchange between their currencies and our dollar.

For example, would it fix the rate in France at 100 francs to the dollar, and the rate in Italy at 200 lira to the dollar, and so forth?

Mr. VANDENBERG. I do not think so. I should think they would merely consider and take the financial and monetary measures required to accomplish the desired result, namely, a stabilized currency and a valid rate of exchange, balanced budgets, and so forth.

Mr. KEM. Do I correctly understand that the obligation would be to maintain a valid rate of exchange?

Mr. VANDENBERG. That is correct.

Mr. KEM. How would we tell whether they were maintaining a valid rate and how would we tell what a valid rate was? For instance, in the case of France, would it be 100 francs to the dollar or 50 francs to the dollar?

Mr. VANDENBERG. I would not have the slightest idea in the world, I say to the Senator. That is a decision which would involve the facts of the situation and the application of judgments which are expert in respect to such problems. I do not pretend to have the remotest expert information on the subject.

Mr. KEM. Under this language, would the Administrator be permitted to

adopt one rule in the case of one country and another rule in the case of another country?

Mr. VANDENBERG. I suppose he would be permitted to do so; but I assume he would proceed under a general formula reflecting the policy of the administrator and his advisory board.

Mr. KEM. I should like to ask the Senator from Michigan whether the use of the word "valid" in this case is not so indefinite and so lacking in specificity that it might be considered to be one of the words which Talleyrand referred to as a word to conceal thought?

Mr. VANDENBERG. The Senator from Michigan does not think so, but obviously the Senator from Missouri does think so.

The word which came to us originally in this connection was "proper." But the committee considered that the word "valid" had connotations far stronger than the word "proper" did.

Mr. KEM. Before we enact this measure into law, should not we know with some definiteness the rule we are laying down? If it is a rule of reason, should not there be some standard to guide the Administrator in connection with such a grave responsibility?

Mr. VANDENBERG. The Senator from Michigan does not think so. The Senator from Michigan feels that this is one of those situations in which all the Congress can do is assert a general objective through general directives, and that if we were to undertake to spell out every obligation that is involved in the legislation, the net result would be pretty much of a hodgepodge.

Mr. KEM. I am not suggesting that it be spelled out. I am simply suggesting the advisability of a standard to guide the conduct of the Administrator.

I should like to ask the Senator another question if he does not mind.

Mr. VANDENBERG. I shall try to answer the Senator's question.

Mr. KEM. In view of the difficulty, not to say the impossibility, that we ourselves are encountering in respect to stabilizing our own currency, does the Senator from Michigan believe it is practicable for us to undertake to place our friends abroad under contract to stabilize theirs?

Mr. VANDENBERG. The purpose of the entire measure is an objective. The objective is sound. Its approach involves no guarantees of success. An honest effort must be made. The hope is that within a reasonable time, definite identifiable progress will have been made toward the general objective. That is the only answer I can give the Senator. Certainly I am not suggesting that this bill says that on October 16 at the hour of 3 o'clock in the afternoon the objective must be met. I am saying that the objective is set up, and in doing so, we describe the fundamentals which are essential to the restabilization of the economy of these nations and their international relationships. The extent to which they shall ultimately demonstrate that they have succeeded will be a matter of judgment and reason.

Mr. KEM. I should like to ask the Senator from Michigan another question.

Mr. VANDENBERG. Yes, indeed.

Mr. KEM. I hope I do not try the Senator's patience.

Mr. VANDENBERG. Oh, no.

Mr. KEM. In view of the very laudable objectives of the bill, of course the Senate and the House of Representatives want to go as far as they possibly can go toward their attainment. I should like to ask the Senator whether he believes that the laudable character of the objectives should lead us to abandon the cardinal rule of legislation, namely, that every act should be reasonably definite and specific in its terms.

Mr. VANDENBERG. The Senator from Michigan wishes to abandon nothing by way of legitimate legislative protections; but in the present instance he is completely of the opinion that the language of the bill goes as far as it is rationally possible to go in an area of high controversy.

Mr. BARKLEY. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from Missouri yield to the Senator from Kentucky?

Mr. KEM. I yield.

Mr. BARKLEY. In the first place, the Administrator has no power, under this proposed act or under any other act, to stabilize the currency of any country. All we are seeking to do is to obligate the countries themselves to stabilize their own currencies and to fix rates of exchange between their currency and other currencies that will be valid and acceptable and will fairly represent the monetary situation in all those countries.

If we undertake to lay down a hard-and-fast rule by which the Administrator would be instructed to insist upon any particular rate of exchange, not only would we put him in a strait-jacket, but, through him, we would put the countries involved in a strait-jacket.

For instance, let us consider the French currency. Until a few weeks ago, the official rate of exchange was, I believe, 119 francs to the dollar, but on the black market the rate was approximately 300 francs to the dollar. The French Government, exercising its power to stabilize its own currency, fixed the value thereof—just as we do, under the Constitution, with respect to our own currency—and changed that rate to 214 francs to the dollar, and also provided a free market in which the exchange rate is approximately 275 francs to the dollar. They were exercising their own power and their own right to do that. It was not very acceptable to one or two other countries, but they had the right to do it.

All we are seeking to do in the bilateral agreement, as I understand, is to give the Administrator authority to require that the recipient country shall go as far as possible and practical to fix an exchange rate and to stabilize its currency so that in the markets of the world as well as internally it shall have recognition as an acceptable rate of exchange between that country and not only our country but other countries. The relative purchasing power might translate itself into the relationship between the dollar and the franc, or the dollar and

the pound, or the dollar, and the lira, or the pound and the lira, or the franc and the lira.

Mr. VANDENBERG. Or between the black market and the free market.

Mr. BARKLEY. Yes, absolutely. So it is impossible to deteriorate the currency in any one country during the entire life of this agreement.

Mr. KEM. Mr. President, will the Senator yield for an inquiry at that point?

Mr. VANDENBERG. I yield.

Mr. KEM. I should like to ask the Senator from Kentucky or the Senator from Michigan this question: In the opinion of the Senator, is the language sufficiently definite and specific so that in case of a variation from norm the contracting country could be convicted of a breach of contract? Taking the example mentioned, that of the French franc, would it be possible under the pending measure for the Administrator or for the Congress or for the public generally to say that a rate of 150 was an invalid rate, and that a rate of 250 was a valid rate, or vice versa? Or would it be possible to hold that any specific rate was valid or invalid, as the case might be?

Mr. VANDENBERG. If the Senator is asking the Senator from Michigan, his answer would be that in such a situation, under the specifications of the act, the facts would constitute factors to be considered by the Administrator in determining his judgment as to whether the beneficiary country in good faith was living up to its undertakings. I do not think it is possible to come any closer to a categorical reply than that.

Mr. CAIN. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Washington.

Mr. CAIN. I should like to ask a question, if I may, of the Senator from Minnesota. I wish to determine if my understanding of the Senator's position is correct. I take it that the Senator is pointing with some measure of alarm and concern to the fact that in most European countries there are two rates of exchange, so-called free rate of exchange, commonly called a black market rate of exchange, and a legal rate. The Senator from Minnesota is therefore of the opinion, if my understanding is correct up to this point, that the words as used in the ERP bill will only continue and maintain those differences, whereas the Senator is desirous and hopeful that the currencies of Europe may move toward the free exchange and the legal exchange becoming one and the same. Is that correct?

Mr. BALL. The Senator has stated it correctly. I think the definition of the word "valid" given by the Senator from Michigan, which will be a part of the legislative history of this measure, has probably broadened it out somewhat beyond merely meaning legally sufficient, which is the definition of it as a term of law given in Webster's dictionary. But I still think after all this is a directive from Congress as to what the Administrator and the Secretary of State should seek wherever applicable and wherever appropriate in the opinion of the Secre-

tary of State, which gives him plenty of leeway or judgment as to the kind of undertakings by the respective governments which he should seek in the bilateral agreements. It is my conviction that the sooner we get reasonably close to a free market in foreign exchange fixed by free trade and commerce and the value which the various purchasers of goods and services are willing to place on a country's currency, the sooner normal world trade and commerce will stand a chance of being resumed.

Mr. CAIN. May I ask if there is any reason to believe that the use of the word "valid" as it appears on page 29 is an encouragement to the Administrator to try to secure through agreements a move in the direction of synchronizing the free and legal rates of exchange abroad? I do not understand that to be the case.

Mr. BALL. I do not so understand it myself, even under the broad definition given by the Senator from Michigan.

Mr. CAIN. The issue, then, that we are trying to resolve, and certainly we are all trying to understand it, is whether or not we in a sense want to encourage a continuance of the differences as they presently exist between free and legal exchanges, or whether we want to say in substance that whenever it is possible to have a piece of exchange reach its true free-market level, that precisely is the encouragement this country gives to the countries we seek to help through ERP.

Mr. BALL. That is my understanding.

Mr. COOPER. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield to the Senator from Kentucky.

Mr. COOPER. A moment ago I understood the Senator from Minnesota to state that it is his belief the Administrator in fixing the rate of exchange would be limited by the use of the word "valid," because in the opinion of the Senator it had a very limited legal connotation.

Mr. BALL. I said it was my understanding of the definition in law as I read it in Webster's International Dictionary that it means "legally sound and sufficient." In my committee work in the Senate it has always been my understanding of the word "valid" that it meant legally sound and sufficient. The Senator from Michigan, I think, by his definition on the floor has clearly broadened the meaning of the word "valid" insofar as the bill is concerned, certainly, because what he has said as chairman of the committee is a part of the legislative history of the bill.

Mr. COOPER. Mr. President, I should also like to suggest to the Senator that even from the legal viewpoint I believe the definition of "valid" is much broader than the Senator has suggested. "Valid" in reality means not only effective because of some procedural steps which have been taken, but because of the very substance of the arrangement, the mutual obligations under the situation, and the circumstances which surrounded a certain course of action. If that definition, and I believe it is the true legal definition of valid, is applied, it would be as broad as the definition which has

been suggested by the Senator from Michigan.

Mr. BALL. I defer to the Senator from Kentucky, although it still seems to me the connotation by law is always legally capable of proof and sufficient and binding, rather than the broader one.

Mr. DWORSHAK. Mr. President, if the Senator will yield, while we are discussing provisions concerning the stabilization of currency in western European countries, I should like to call the attention of the Senator from Minnesota to an Associated Press dispatch from London which appeared in the Wall Street Journal on March 5, from which I quote:

Sir Stafford Cripps said Britain does not intend to cheapen the pound sterling as a way of fighting her economic crisis. "Complete nonsense," was the treasury chief's comment on the devaluation rumor.

So obviously we are merely wasting the time of the Senate when we discuss the possibilities of stabilization of currency in England and other countries in the light of such statements made by the British Chancellor of the Exchequer.

Mr. BALL. I thank the Senator.

Mr. President, if the amendment I have proposed were included in the bill, I do not think it would require the Secretary of State to insist that Britain devalue the pound. I think there are other circumstances that enter into it, but I do not think a situation is sound economically or can long promote real recovery or can really promote recovery, when the currency of one nation is artificially pegged at a rate which gives it in terms of foreign countries a higher purchasing power than it actually has. I think we will reach a situation when the free movement of trade and commerce in the free market will determine largely the relative values in terms of foreign exchange of the various currencies.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator from Michigan one or two questions. Is it correct to say that the rate of exchange applies or will be applied by the Administrator among participating countries and with other countries?

Mr. VANDENBERG. The Administrator does not apply rates of exchange.

Mr. WHERRY. I mean the validity is recognized by him, is it not?

Mr. VANDENBERG. Yes. It is one of the factors which he will take into consideration when he is determining whether or not a good faith offer is being made to stabilize currency, balance budgets, and so forth.

Mr. WHERRY. Does he make that determination when one of the participating countries transacts business with a satellite country?

Mr. VANDENBERG. I assume it is an over-all judgment.

Mr. WHERRY. Even with respect to Russia?

Mr. VANDENBERG. Yes, on the record for the year.

Mr. WHERRY. I read with some interest yesterday afternoon a report on the same question relative to the difficulty which the eastern Russian coun-

tries have in determining validity. That was the word used in the report. I consulted the dictionary, which in that connection used the word "legal." I think the statement made by the senior Senator from Kentucky has broadened it, which I think is a good thing. The statement was that it was impossible to establish a rate of exchange between the satellite countries and Russia in trading among themselves except it be translated into terms of American dollars. For instance, if steel or machinery were to be allocated as between one country and another, it would be impossible for them to arrive at a rate of exchange. They would have to barter with regard to what the material was worth in American dollars. Am I correct in that statement?

Mr. VANDENBERG. I would not know, but I should think such a situation could exist.

Mr. WHERRY. If that premise be correct, it is my feeling, in joining in the amendment, that we are seeking to accomplish what the Senator has said will be accomplished by the bill. It broadens the situation so that the Administrator would have the right to insist that the rate of exchange with participating countries and satellite countries, or even with Russia, should be based with legal accuracy upon a realistic dollar. My feeling is that in order to make that determination, if we are to translate it into tons of steel or millions of feet of lumber, or whatever commodity may be involved, it would have to be done by translating it into American dollars and then into the different commodities and values which the Administrator would interpret, regardless of the exchange rate on currency between France and England, Italy and England, or as between any other European countries.

I attended a farm sale in France within the past year and a half and saw a 2-year-old colt sell for 187,000 francs. In American money, at the then rate of exchange, it would amount to approximately \$1,500.

Under the terms of the definition, certainly the Administrator, if he should apply this rule, would require that the colt's price should be based upon a realistic dollar, and that an artificial rate of exchange be not paid for the animal. If it can be done under the original wording, if it is broad enough to accomplish what is said will be done, that is an entirely different situation from the interpretation of the definition which I have gathered as to the valid rate of exchange. Possibly we are all trying to accomplish the same thing. We are asking the Administrator to determine the value of a realistic dollar in trade between not only participating countries, but satellite countries as well.

Mr. CONNALLY. Mr. President, will the Senator yield?

Mr. WHERRY. I yield to the Senator from Texas.

Mr. CONNALLY. May I suggest to the Senator that the matter of exchange in the disturbed and chaotic condition through which the world is now passing—I hope it is passing through—is a very difficult question. The language of the bill provides that countries shall

make agreements to do what? Among other things, to establish a valid rate of exchange. What is a valid rate of exchange? It means an honest rate of exchange, one which is not artificial, not manipulated.

Mr. WHERRY. Of course a valid rate of exchange has to be determined by the Administrator.

Mr. CONNALLY. No.

Mr. WHERRY. That is his power and right.

Mr. CONNALLY. In the final analysis, yes.

Mr. WHERRY. That is what I mean.

Mr. CONNALLY. If he should find that the government which made the contract was not undertaking to establish a valid rate of exchange, he could cancel the contract.

Mr. WHERRY. Or if the rate of exchange did not properly reflect the value he believed it should reflect, he could insist that it do so.

Mr. CONNALLY. That would probably be included in the broad term of "validity." The point I make is that we cannot here fix the rates of exchange. They change every day. They fluctuate just as do other commodities. Money is a commodity on the market. All we can do, as I see it, is to require the countries involved to make an honest effort to stabilize their currencies at some fixed value, and it should be a value which will be fairly representative of the value of commodities in other currencies. When they make such an honest effort to stabilize their currencies and adopt a valid currency, that is all they can do. If they seek to avoid that and to manipulate their currencies and indulge in operations in the black market our remedy is to cut them off.

Mr. WHERRY. I agree with the Senator.

Mr. CONNALLY. I think the word "validity" is much more desirable than the other language which is proposed.

Mr. WHERRY. Cannot all that be established through the amendment which is being offered, which simply provides for a rate of exchange which will reflect with reasonable accuracy the real purchasing power of the currency involved?

Mr. CONNALLY. The relative purchasing power.

Mr. WHERRY. That is correct.

Mr. CONNALLY. How is the Administrator to pass on the relative purchasing power of such currencies?

Mr. WHERRY. In arriving at the validity of the rate of exchange he would have to pass on that question anyway. If he should not do that, he would not be doing what is expected under the power given him, because if there be any invalidity he must make that determination.

Mr. BALL. Mr. President, will the Senator yield?

Mr. WHERRY. I yield.

Mr. BALL. It seems to me that in determining the relative purchasing power of the dollar versus the franc it is a very simple matter. The Senator from Texas [Mr. CONNALLY] was asking how the Secretary of State or the Administrator would determine whether the mild directive in the amendment was being met if

it should become a part of the bill. I think that would be a very simple matter. Every country maintains commodity exchanges where basic commodities are bought and sold, and the relative purchasing power of the dollar versus the franc could be easily determined by comparing the average prices of commodities in this country with the average cost in dollars of a ton of wheat, for instance, on the French exchange. I do not think that would present any difficulty whatever. I agree that there might be other considerations which might enter into the question, but I think necessary flexibility is well taken care of by the language in lines 12 and 13, on page 28, which modifies all of the directives.

Mr. CAIN. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I yield.

Mr. CAIN. I should like to pose a situation to the Senator from Nebraska. In section 2 of the committee bill, participating countries are encouraged generally to restore and maintain confidence in their monetary systems. We have a right to take it as a fact that if the differences between a free rate of exchange and a legal rate of exchange can be done away with, there will be a terrific acceleration in the public acceptance of, and confidence in, the monetary system.

Mr. WHERRY. I should certainly think so. That is the purpose of the amendment.

Mr. CAIN. If we had in this country a black market, or a free market, and a legal market, for American dollars, we would not have very much confidence in our own system would we?

Mr. WHERRY. No.

Mr. CAIN. I take it that the amendment offered by the Senator from Minnesota is but America's declaration of a very positive encouragement to other countries to work as rapidly as they can to get away from their prevailing legal and free monetary rate differences.

Mr. WHERRY. Certainly. The countries arranging this stabilization do everything they can in their power to bring about the very suggestions made by the senior Senator from Michigan, but instead of letting the Administrator or anyone else say, "That is a valid rate of exchange," the amendment offered goes the other way, and encourages them to establish their rate of exchange, which reflects the reasonable accuracy of the relative purchasing power of the currencies involved. I cannot see anything wrong with that. I think it is encouragement. I think it eliminates the black market rather than encourages it, and although it might be spelled out in four or five different terms, it certainly would accomplish the very thing the senior Senator from Michigan is attempting to accomplish, to broaden out the terms of the word "validity."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Minnesota [Mr. BALL]. The yeas and nays have been ordered, and the clerk will call the roll.

The Chief Clerk called the roll.

Mr. WHERRY. I announce that the Senator from Connecticut [Mr. BALD-

WIN] is absent because of the death of the Governor of Connecticut.

The Senator from Delaware [Mr. BUCK] is detained on official committee business. If present and voting, he would vote "nay."

The Senator from South Dakota [Mr. BUSHFIELD] who is necessarily absent, is paired with the Senator from Tennessee [Mr. STEWART]. The Senator from South Dakota, if present and voting, would vote "yea," and the Senator from Tennessee, if present and voting, would vote "nay."

The Senator from Kansas [Mr. CAPPER] is unavoidably detained. If present and voting, he would vote "nay."

The Senator from New Jersey [Mr. HAWKES] is necessarily absent.

The Senator from Pennsylvania [Mr. MARTIN] is absent on official State business. If present and voting, he would vote "nay."

The Senator from Minnesota [Mr. THYE] is unavoidably detained. If present and voting, he would vote "nay."

The Senator from New Hampshire [Mr. TOBEY] is absent because of elections in his State.

The Senator from North Dakota [Mr. YOUNG] is absent by leave of the Senate.

The Senator from Iowa [Mr. WILSON] is unavoidably detained. If present and voting, he would vote "nay."

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from North Carolina [Mr. HOEY], and the Senator from Rhode Island [Mr. McGRATH] are absent on official business.

The Senator from New Mexico [Mr. HATCH] is absent on official business at one of the Government departments.

The Senator from South Carolina [Mr. JOHNSTON] is absent on official business at a conference committee meeting.

The Senator from Washington [Mr. MAGNUSON] and the Senator from Montana [Mr. MURRAY] are absent on public business.

The Senator from Maryland [Mr. TYDINGS] is absent because of illness.

The Senator from North Carolina [Mr. UMSTEAD] and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senator from Tennessee [Mr. STEWART], who is absent by leave of the Senate, is paired with the Senator from South Dakota [Mr. BUSHFIELD]. If present and voting, the Senator from Tennessee would vote "nay," and the Senator from South Dakota would vote "yea."

If present and voting, the Senators from New Mexico [Mr. CHAVEZ and Mr. HATCH], the Senators from North Carolina [Mr. HOEY and Mr. UMSTEAD], the Senator from Washington [Mr. MAGNUSON], the Senator from South Carolina [Mr. JOHNSTON], the Senator from Rhode Island [Mr. McGRATH], the Senator from Montana [Mr. MURRAY], the Senator from Maryland [Mr. TYDINGS], and the Senator from New York [Mr. WAGNER] would vote "nay."

The result was announced—yeas 19, nays 53, as follows:

#### YEAS—19

Ball	Butler	Capehart
Brooks	Cain	Dworschak

Eaton  
Jenner  
Johnson, Colo.  
Kem  
Langer

Malone  
Moore  
O'Daniel  
Reed  
Revercomb

Robertson, Wyo.  
Watkins  
Wherry

#### NAYS—53

Aiken  
Barkley  
Brewster  
Bricker  
Bridges  
Connally  
Cooper  
Cordon  
Donnell  
Downey  
Eastland  
Ellender  
Ferguson  
Flanders  
Fulbright  
George  
Green  
Gurney

Hayden  
Hickenlooper  
Hill  
Holland  
Ives  
Kilgore  
Knowland  
Lodge  
Lucas  
McCarran  
McCarthy  
McClellan  
McFarland  
McKellar  
McMahon  
Maybank  
Millikin  
Morse

Myers  
O'Connor  
O'Mahoney  
Overton  
Pepper  
Robertson, Va.  
Russell  
Saltanstill  
Smith  
Sparkman  
Stennis  
Taylor  
Thomas, Okla.  
Thomas, Utah  
Vandenberg  
Wiley  
Williams

#### NOT VOTING—24

Baldwin  
Buck  
Bushfield  
Byrd  
Capper  
Chavez  
Hatch  
Hawkes

Hoey  
Johnston, S. C.  
McGrath  
Magnuson  
Martin  
Murray  
Stewart  
Taft

Thye  
Tobey  
Tydings  
Umstead  
Wagner  
White  
Wilson  
Young

So Mr. BALL's amendment was rejected.

Mr. BARKLEY. Mr. President, a few days ago during the course of a colloquy between the Senator from Nebraska [Mr. WHERRY], the Senator from Michigan [Mr. VANDENBERG], and myself, information was sought with reference to a program of dismantlement of plants in Germany and reparations under the Berlin agreement to nations which suffered from the German aggression. I have secured some data which I think might be interesting to the Senate, and which, it seems to me, will clarify the situation in some respects. It is for that purpose alone that I am taking the floor at this time.

Senators will recall that after the surrender of the German armies in the spring of 1945 various meetings took place in regard to the occupation of Germany and in regard to the destruction of Germany's war potential, and how compensation or reparations to the nations which had been invaded or which had suffered on account of the German invasion in the war might be paid.

In March of 1946 there was issued what is called the Berlin Protocol, which was an agreement among the three nations, Great Britain, the United States, and Russia, with reference to the dismantlement of German plants. The question of reparations was tied into that. They entered into an agreement which is entitled "Allied Control Authority. The Plan for Reparations and the Level of Postwar German Economy."

The plan contained in the pamphlet under the heading as I have just read it, was agreed to in March, 1946. Under that plan the plants in Germany were divided into categories, and the production of commodities was divided into categories. One was the "Prohibited Industries," those which were not to be allowed to be resumed, and whose plants should be destroyed; the other category was "Restricted Industries," those which might be restricted either in their production or in some other fashion.

The number of plants involved in the first plan, which were to be destroyed or

removed, was approximately 1,850, as I stated the other day in the colloquy between the Senator from Nebraska and myself.

Mr. President, in order that the Senate may have all the facts involved in the agreement, which sets forth the categories, and also the Report of the Tripartite Conference of Berlin, which was signed by J. V. Stalin, Harry S. Truman, and C. R. Attlee, I ask that at this point in the RECORD the compendium I have spoken of may be printed as a part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

**THE PLAN FOR REPARATIONS AND THE LEVEL OF POSTWAR GERMAN ECONOMY IN ACCORDANCE WITH THE BERLIN PROTOCOL**

1. In accordance with the Berlin Protocol the Allied Control Council is directed to determine the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations.

The guiding principles regarding the plan for reparations and the level of Germany's postwar economy in accordance with the Berlin Protocol are:

(a) Elimination of the German war potential and the industrial disarmament of Germany.

(b) Payment of reparations to the countries which had suffered from German aggression.

(c) Development of agricultural and peaceful industries.

(d) Maintenance in Germany of average living standards not exceeding the average standard of living of European countries (excluding the United Kingdom and the Union of Soviet Socialist Republics).

(e) Retention in Germany, after payment of reparations, of sufficient resources to enable her to maintain herself without external assistance.

2. In accordance with these principles, the basic elements of the plan have been agreed. The assumptions of the plan are:

(a) That the population of postwar Germany will be 66,500,000.

(b) That Germany will be treated as a single economic unit.

(c) That exports from Germany will be acceptable in the international markets.

**PROHIBITED INDUSTRIES**

3. In order to eliminate Germany's war potential, the production of arms, ammunition, and implements of war, as well as all types of aircraft and seagoing ships, is prohibited and will be prevented.

4. All industrial capital equipment for the production of the following items is to be eliminated:

- (a) Synthetic gasoline and oil.
- (b) Synthetic rubber.
- (c) Synthetic ammonia.
- (d) Ball and taper roller bearings.
- (e) Heavy machine tools of certain types.
- (f) Heavy tractors.
- (g) Primary aluminum.
- (h) Magnesium.
- (i) Beryllium.
- (j) Vanadium produced from Thomas slags.
- (k) Radio-active materials.
- (l) Hydrogen peroxide above 50 percent strength.
- (m) Specific war chemicals and gases.
- (n) Radio transmitting equipment.

Facilities for the production of synthetic gasoline and oil, synthetic ammonia, and synthetic rubber, and of ball and taper roller bearings, will be temporarily retained to meet domestic requirements until the necessary imports are available and can be paid for.

**RESTRICTED INDUSTRIES**  
**Metallurgical industries**

**5. Steel:**

(a) The production capacity of the steel industry to be left in Germany should be 7,500,000 ingot tons. This figure should be subject to review for further reduction should this appear necessary.

(b) The allowable production of steel in Germany should not exceed 5,800,000 ingot tons in any future year without the specific approval of the Allied Control Council, but this figure will be subject to annual review by the Control Council.

(c) The steel plants to be left in Germany under the above program should, so far as practicable, be the older ones.

**6. Nonferrous metals:**

The annual consumption of nonferrous metals, including exports of products containing these metals, is fixed at the following quantities:

	Tons
Copper.....	140,000
Zinc.....	135,000
Lead.....	120,000
Tin.....	8,000
Nickel.....	1,750

**Chemical industries**

7. (a) Basic chemicals: In the basic chemical industries there will be retained 40 percent of the 1936 production capacity (measured by sales in 1936 values). This group includes the following basic chemicals: Nitrogen, phosphate, calcium carbide, alkalis, sulphuric acid, and chlorine. In addition, to obtain required quantities of fertilizer for agriculture, existing capacity for the production of nitrogen through the synthetic ammonia process will be retained until the necessary imports of nitrogen are available and can be paid for.

(b) Other chemicals: Production capacity will be retained for the group of other chemical production in the amount of 70 percent of the 1936 production capacity (measured by sales in 1936 values). This group includes chemicals for building supplies, consumer goods items, plastics, industrial supplies, and other miscellaneous chemical products.

(c) Dyestuffs, pharmaceuticals, and synthetic fibers: In the pharmaceutical industry there will be retained capacity for the annual production of 80 percent of 1936 production (measured by sales in 1936 values). Capacity will be retained to produce annually 36,000 tons of dyestuffs and 185,000 tons of synthetic fibers.

**Machine manufacturing and engineering**

8. (a) Machine tools: For the machine-tool industry there will be retained 11.4 percent of 1938 capacity, with additional restrictions on the type and size of machine tools which may be produced.

(b) Heavy engineering: In the heavy engineering industries there will be retained 31 percent of 1938 capacity. These industries produce metallurgical equipment; heavy mining machinery; material handling plant; heavy power equipment (boilers and turbines; prime movers; heavy compressors; turbo blowers, and pumps).

(c) Other mechanical engineering. In other mechanical engineering industries there will be retained 50 percent of 1938 capacity.

This group produces constructional equipment; textile machinery; consumer goods equipment; engineering small tools; food processing equipment; woodworking machines; other machines and apparatus.

(d) Electroengineering. In the electroengineering industries there will be retained 50 percent of 1938 production capacity (based on sales in 1936 value). Capacity to produce heavy electrical equipment is to be reduced to 30 percent of 1938 production or RM 40,000,000 (1936 value). Heavy electrical equipment includes generators and converters, 6,000 kilowatts and over; high tension

switch gear; and large transformers, 1,500 kilovolt-amperes and over.

Electroengineering other than heavy electrical equipment includes electric lamps and light fittings, installation materials, electric heating and domestic appliances, cables, and wires, telephone and telegraph apparatus, domestic radios, and other electrical equipment.

Export of specified types of radio receiving sets is forbidden.

**(e) Transport engineering:**

(i) In the automotive industry capacity will be retained to produce annually 80,000 autos, including 40,000 passenger cars and 40,000 trucks, and for 4,000 light road tractors.

(ii) Capacity will be retained to produce annually 10,000 motorcycles with cylinder sizes between 60 and 250 cubic centimeters. Production of motorcycles with cylinder sizes of more than 250 cubic centimeters is prohibited.

(iii) In the locomotive industry available capacity will be used exclusively for the repair of the existing stock of locomotives in order to build up a pool of 15,000 locomotives in 1949. A decision will be made later as to the production of new locomotives after 1949.

(iv) Sufficient capacity will be retained to produce annually 30,000 freight cars, 1,350 passenger coaches, and 400 luggage vans.

(f) Agricultural machinery: To permit maximization of agriculture, capacity will be retained for an annual production of 10,000 light agricultural tractors. Existing capacity for the production of other agricultural equipment, estimated at 80 percent of 1938 levels, is to be retained, subject to restrictions on the type and power of the equipment which may be produced.

(g) In estimating capacities there will be taken into account the production of normal quantities of spare parts for transport and agricultural machinery.

(h) Optics and precision instruments: Capacity will be retained to produce precision instruments in the value of RM 340,000,000 (1936 value), of which RM 220,000,000 is estimated as required for domestic use and RM 120,000,000 for exports. A further limitation for this industry is possible subject to the recommendations of the Committee for Liquidation of War Potential.

**MINING INDUSTRIES**

9. (a) Coal: Until the Control Council otherwise decides, coal production will be maximized as far as mining supplies and transport will allow. The minimum production is estimated at 155,000,000 tons (hard coal equivalent), including at least 45,000,000 tons for export. The necessary supplies and services to this end will be arranged to give the maximum production of coal.

(b) Potash: The production of potash is estimated at over 100 percent of the 1938 level.

**ELECTRIC POWER**

10. There will be retained an installed capacity of 9,000,000 kilowatts.

**CEMENT**

11. A capacity for the production of 8,000,000 tons of cement annually will be retained.

**OTHER INDUSTRIES**

12. The estimated levels of the following industries have been calculated as shown below as necessary for the German economy in 1949:

(a) Rubber 50,000 tons, including 20,000 tons from reclaimed rubber and 30,000 tons imports.

(b) Pulp paper, and printing 2,129,000 tons based on 26 kilograms per head per annum in 1949, plus 400,000 tons for export.

(c) Textile and apparel 665,000 tons of fibers based on 10 kilograms per head in 1949, including 2 kilograms for export.

(d) Boots and shoes 113 million pairs based on 1.7 pairs per head in 1949 (figure excludes needs of occupying forces).

Production may exceed the above estimates in this paragraph (other industries) unless otherwise determined by the Control Council.

13. Building. No level will be determined for 1949. The industry will be free to develop within the limits of available resources and the licensing system.

14. Building materials industries (excluding cement). Existing capacity for building materials will be retained. Production will be in accordance with building licensing and export requirements.

15. Other unrestricted industries. For the following industries no levels have been determined for 1949. They are free to develop within the limitations of available resources. These industries are as follows:

- (a) Furniture and woodwork.
- (b) Flat glass, bottle and domestic glass.
- (c) Ceramics.
- (d) Bicycles.
- (e) Motor-bicycles under 60 cubic centimeters.
- (f) Potash.

#### GENERAL LEVEL OF INDUSTRY

16. It is estimated that the general effect of the plan is a reduction in the level of industry as a whole to a figure of about 50 or 55 percent of the prewar level in 1938 (excluding building and building materials industries).

#### EXPORTS AND IMPORTS

17. The following agreement has been reached with respect to exports and imports:

- (a) That the value of exports from Germany shall be planned as RM 3,000,000,000 (1936) value for 1949, and that sufficient industrial capacity shall be retained to produce goods to this value and cover the internal requirements in Germany in accordance with the Potsdam declaration.

(b) That approved imports will not exceed RM 3,000,000,000 (1936 value) as compared with RM 4,200,000,000 in 1936.

(c) That of the total proceeds from exports, it is estimated that not more than RM 1,500,000,000 can be utilized to pay for imports of food and fodder if this will be required with the understanding that, after all imports approved by the Control Council are paid for, any portion of that sum not needed for food and fodder will be used to pay for costs of occupation and services such as transport, insurances, etc.

#### DETERMINATION OF CAPACITIES AVAILABLE FOR REPARATIONS

18. After approval of this plan the existing capacities of the separate branches of production shall be determined, and a list of enterprises available for reparations shall be compiled.

19. After decisions have been given on the matter now referred to the Coordinating Committee, the Economic Directorate would propose to prepare the final plan embodying those decisions and including a description of the various features of the plan such as disarmament, reparations, postwar German economy, and the German balance of trade.  
BERLIN, March 1946.

#### LEVEL OF INDUSTRY

##### I. PROHIBITED INDUSTRIES

A. Production of the following will be entirely prohibited:

- 1. War materials as specifically defined by the Allied Control Authority, including but not limited to arms, ammunition and implements of war, as well as all types of aircraft, specific war chemicals and gases.
- 2. Sea-going ships (not interpreted to include small fishing vessels).
- 3. Magnesium.

4. Primary aluminum and alumina for the purpose of producing aluminum.

5. Beryllium.

6. Vanadium produced from Thomas slags.

7. Radio-active materials.

8. Hydrogen peroxide above 50-percent strength.

9. Radio transmitting equipment.

10. Heavy tractors above the limits of capacity determined by the Allied Control Authority.

11. Heavy machine tools of the sizes and types prohibited by the Allied Control Authority.

B. Production of the following items will be permitted only until sufficient imports will be possible and can be paid for:

- 1. Synthetic gasoline and oil.
- 2. Synthetic rubber.
- 3. Ball and taper roller bearings.

C. Production of synthetic ammonia will be permitted until exports can be found to pay for required imports of nitrogen as well as for all other necessary imports. To the extent to which synthetic ammonia production is not eliminated, it will be limited to not more than that amount necessary to meet Germany's peacetime requirements.

II. INDUSTRIES FOR WHICH NO LEVEL WILL BE DETERMINED FOR 1949 AND WHICH ARE FREE TO DEVELOP WITHIN THE LIMITS OF AVAILABLE MATERIAL AND FINANCIAL RESOURCES

- 1. Building and building materials (excluding cement).
- 2. Furniture and woodworking.
- 3. Flat glass, bottle and domestic glass.
- 4. Ceramics.
- 5. Bicycles.
- 6. Motor-bicycles under 80 cubic centimeters.
- 7. Potash.

TABLE 1.—Industries, the levels of which are determined or estimated for 1949

#### PART A. INDUSTRIES FROM WHICH PRODUCTION CAPACITY WILL BE TAKEN FOR REPARATIONS

Serial	Item	Production or supply in prewar years	Estimated level in 1949	Percentage of prewar year considered in column 3	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1	Steel.....	19.2 million tons (1936)	7.5 million tons (capacity)	39	Permitted level of industry subject to annual review (for permitted production (see par. 5 (b) of the plan): (a) Figures for nonferrous metals are for consumption including consumption in exports containing these metals; (b) It is estimated that in 1949, 40,000 tons of copper, 20,000 tons of lead, and 45,000 tons of zinc will be used in the manufacture of exports containing these metals; (c) Figures for nonferrous metals include secondary metal and scrap; (d) Estimated that to meet the requirements of 8,000 tons of tin it will be necessary to import 6,000 tons of tin.
2	Copper.....	292,000 tons (1936)	140,000 tons	48	
3	Zinc.....	225,000 tons (1936)	135,000 tons	60	
4	Lead.....	223,000 tons (1936)	120,000 tons	54	
5	Tin.....	16,000 tons (1936)	8,000 tons	50	
6	Nickel.....	9,500 tons (1936)	1,750 tons	18	
7	Aluminum (consumption).....		30,000 tons		
8	Magnesium (consumption).....		1,000 tons		
9	Mechanical engineering (excluding agricultural engineering and ball and taper roller bearings):				Machine tools to be limited as regards type and size by the Allied Control Authority.
	(a) Heavy engineering, comprising metallurgical equipment, heavy mining machinery, material handling plant, heavy power equipment, boilers and turbines, prime movers, heavy compressors, turbo-blowers and pumps.	RM. 1,304 million (1938)	RM. 432 million	31	
	(b) Light engineering and constructional equipment, comprising constructional equipment, textile machinery, other consumer-goods equipment, food-processing equipment, chemical and refining equipment, general engineering materials processing equipment, small tools, wood-working machinery, gas welding and cutting machinery miscellaneous machines.	RM. 2,291 million (1938)	RM. 1,145 million	50	
	(c) Machine tools.....	RM 645 million (1938)	RM 74 million	11.4	
	Total, mechanical engineering.....	RM 4,330 million (1938)	RM 1,651 million	38.1	
10	Precision instruments and optics.....	RM 491 million (1936)	RM 340 million	70	Including an estimate of RM 120 million for export. A further limitation is possible for this industry depending on the recommendation of the Committee for Liquidation of War Potential.

TABLE 1.—Industries, the levels of which are determined or estimated for 1949—Continued

Serial	Item	Production or supply in prewar years	Estimated level in 1949	Percentage of prewar year considered in column 3	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
11	Agricultural tractors.....	13,900 (1936).....	10,000.....	72	Limited as regards capacity and type.
12	Private cars.....	245,000 (1936).....	40,000.....	16	
13	Commercial vehicles.....	59,000 (1936).....	40,000.....	67	
14	Light road tractors.....	.....	4,000.....	.....	
15	Motor-bicycles.....	.....	10,000.....	.....	Cylinder capacity 60 to 250 cubic centimeters. Motor-bicycles with cylinder capacity over 250 cubic centimeters to be prohibited.
16	Electrical engineering..... Of which heavy electrical engineering.....	RM. 3,000 million (1938). RM. 130 million (1938).....	RM. 1,500 million..... RM. 40 million.....	50 30	
17	Basic chemicals.....	RM. 920 million (1936).....	RM. 368 million.....	40	Heavy electrical engineering comprises: (i) Generators and converters 6,000 kilowatts and over; (ii) high tension switch gear; (iii) large transformers 1,500 kilovolt-amperes and over.
18	Miscellaneous chemical products.....	RM. 2,112 million (1936).....	RM. 1,478 million.....	70	
19	Pharmaceuticals: (a) Domestic..... (b) Export.....	RM. 288 million (1936)..... RM. 125 million (1936).....	RM. 212 million..... RM. 120 million.....	..... .....	Nitrogen, phosphates, calcium carbide, sulfuric acid, chlorine, alkali. Production of synthetic ammonia to continue for the time being. [See table 1 (C).]
	Total.....	RM. 413 million (1936).....	RM. 332 million.....	80	
20	Dyestuffs: (a) Domestic: RM. millions..... 000 tons.....	..... ..... .....	73..... 20.....	..... .....	Building supplies, consumer goods, plastics, industrial supplies, other chemicals.
	(b) Export: RM. millions..... 000 tons.....	..... .....	58..... 16.....	..... .....	
	Total: RM. millions..... 000 tons.....	..... .....	131..... 36.....	..... .....	
21	Cement.....	11.7 million tons (1936).....	8.0 million tons.....	68	
22	Electric power: Installed capacity in million kilowatts.....	15.2 (1936).....	9.0.....	60	

PART B. INDUSTRIES FROM WHICH REPARATIONS ARE NOT ANTICIPATED; BUT THIS POSSIBILITY IS NOT EXCLUDED IF THE CONTROL COUNCIL DECIDES THAT SURPLUSES OF INDUSTRIAL CAPITAL EQUIPMENT ARE NOT REQUIRED IN GERMANY OR FOR EXPORT AND ARE SUITABLE FOR REPARATIONS

Serial	Item	Production or supply in prewar years	Estimated level in 1949	Percentage of prewar year considered in column 3	Remarks
(1)	(2)	(3)	(4)	(5)	(6)
1	Coal.....	208 million tons (1936).....	155 million tons.....	75	Figures in hard-coal equivalents. Until the Control Council otherwise decides, coal production will be maximized as far as mining supplies and transport will allow. The minimum production is estimated at 155 million tons (hard-coal equivalent), including at least 45 million tons for export. The necessary supplies and services to this end will be arranged to give the maximum production of coal.
2	Main-line locomotives.....	285 (1936).....	.....	.....	
3	Railway wagons.....	.....	30,000.....	.....	
4	Passenger coaches.....	.....	1,350.....	.....	
5	Luggage vans.....	.....	400.....	.....	Post-war level not fixed; all capacity to be engaged exclusively on repairs until 1949.
6	Agricultural machinery other than tractors.....	RM. 323 million (1938).....	RM. 258 million.....	80	
7	Textiles.....	856,000 tons (1936) (weight of fiber).....	665,000 tons (A) synthetic, 185,000 tons (B) natural, 480,000 tons.....	77	Based on 10 kilograms per head in 1949, including 2 kilograms for export.
8	Rubber.....	80,000 tons (1936).....	50,000 tons.....	62.5	
9	Paper.....	3,149,000 tons (1936).....	2,129,000 tons.....	65	Minor adjustments are possible. Based on 26 kilograms per head in 1949 plus 400,000 tons for export.
10	Boots and shoes.....	160 million pairs (1936).....	113 million pairs.....	70	
		Production can exceed the estimates in table 3 part B (with the exception of locomotives and wagons—serials 2, 3, 4, and 5) unless otherwise determined by the Control Council.			Based on 1.7 pairs per head in 1949 (figure excludes needs of occupying forces).

#### REPORT OF THE TRIPARTITE CONFERENCE OF BERLIN

##### I

On 17th July 1945, the President of the United State of America, Harry S. Truman, the chairman of the Council of People's Commissars of the Union of Soviet Socialist Republics, Generalissimo J. V. Stalin, and the Prime Minister of Great Britain, Winston S. Churchill, together with Mr. Clement R. Attlee, met in the Tripartite Conference of Berlin. They were accompanied by the foreign secretaries of the three governments, Mr. James F. Byrnes, Mr. V. M. Molotov, and

Mr. Anthony Eden, the chiefs of staff, and other advisers.

There were nine meetings between 17th July and 25th July. The conference was then interrupted for 2 days while the results of the British general election were being declared.

On 28th July, Mr. Attlee returned to the conference as Prime Minister, accompanied by the new Secretary of State for Foreign Affairs, Mr. Ernest Bevin. Four days of further discussion then took place. During the course of the conference there were regular meetings of the heads of the three governments accompanied by the foreign

Secretaries, and also of the foreign secretaries alone. Committees appointed by the foreign secretaries for preliminary consideration of questions before the conference also met daily.

The meetings of the conference were held at the Caecilienhof, near Potsdam. The conference ended on 2d August, 1945.

Important decisions and agreements were reached. Views were exchanged on a number of other questions and consideration of these matters will be continued by the Council of Foreign Ministers established by the conference.

President Truman, Generalissimo Stalin, and Prime Minister Attlee leave this conference, which has strengthened the ties between the three governments and extended the scope of their collaboration and understanding, with renewed confidence that their governments and peoples, together with the other United Nations, will insure the creation of a just and enduring peace.

## II. ESTABLISHMENT OF A COUNCIL OF FOREIGN MINISTERS

The conference reached an agreement for the establishment of a Council of Foreign Ministers representing the five principal powers to continue the necessary preparatory work for the peace settlements and to take up other matters which from time to time may be referred to the Council by agreement of the governments participating in the Council.

The text of the agreement for the establishment of the Council of Foreign Ministers is as follows:

1. There shall be established a Council composed of the foreign ministers of the United Kingdom, the Union of Soviet Socialist Republics, China, France, and the United States.

2. (i) The Council shall normally meet in London which shall be the permanent seat of the joint secretariat which the Council will form. Each of the foreign ministers will be accompanied by a high-ranking deputy, duly authorized to carry on the work of the Council in the absence of his foreign minister, and by a small staff of technical advisers.

(ii) The first meeting of the Council shall be held in London not later than 1st September 1945. Meetings may be held by common agreement in other capitals as may be agreed from time to time.

3. (i) As its immediate important task, the Council shall be authorized to draw up, with a view to their submission to the United Nations, treaties of peace with Italy, Rumania, Bulgaria, Hungary, and Finland, and to propose settlements of territorial questions outstanding on the termination of the war in Europe. The Council shall be utilized for the preparation of a peace settlement for Germany to be accepted by the Government of Germany when a government adequate for the purpose is established.

(ii) For the discharge of each of these tasks the Council will be composed of the members representing those states which were signatory to the terms of surrender imposed upon the enemy state concerned. For the purpose of the peace settlement for Italy, France shall be regarded as a signatory to the terms of surrender for Italy. Other members will be invited to participate when matters directly concerning them are under discussion.

(iii) Other matters may from time to time be referred to the Council by agreement between the member governments.

4. (i) Whenever the Council is considering a question of direct interest to a state not represented thereon, such state should be invited to send representatives to participate in the discussion and study of that question.

(ii) The Council may adapt its procedure to the particular problem under consideration. In some cases it may hold its own preliminary discussions prior to the participation of other interested states. In other cases, the Council may convene a formal conference of the state chiefly interested in seeking a solution of the particular problem.

In accordance with the decision of the conference the three governments have each addressed an identical invitation to the Governments of China and France to adopt this text and to join in establishing the Council.

The establishment of the Council of Foreign Ministers for the specific purposes named in the text will be without prejudice to the agreement of the Crimea Conference that there should be periodic consultation among the Foreign Secretaries of the United

States, the Union of Soviet Socialist Republics, and the United Kingdom.

The conference also considered the position of the European Advisory Commission in the light of the agreement to establish the Council of Foreign Ministers. It was noted with satisfaction that the Commission had ably discharged its principal tasks by the recommendations that it had furnished for the terms of Germany's unconditional surrender, for the zones of occupation in Germany and Austria, and for the inter-Allied control machinery in those countries. It was felt that further work of a detailed character for the coordination of Allied policy for the control of Germany and Austria would in future fall within the competence of the Allied Control Council at Berlin and the Allied Commission at Vienna. Accordingly it was agreed to recommend that the European Advisory Commission be dissolved.

## III. GERMANY

The Allied armies are in occupation of the whole of Germany and the German people have begun to atone for the terrible crimes committed under the leadership of those whom, in the hour of their success, they openly approved and blindly obeyed.

Agreement has been reached at this conference on the political and economic principles of a coordinated Allied policy toward defeated Germany during the period of Allied control.

The purpose of this agreement is to carry out the Crimea declaration on Germany. German militarism and nazism will be extirpated and the Allies will take in agreement together, now and in the future, the other measures necessary to assure that Germany never again will threaten her neighbors or the peace of the world.

It is not the intention of the Allies to destroy or enslave the German people. It is the intention of the Allies that the German people be given the opportunity to prepare for the eventual reconstruction of their life on a democratic and peaceful basis. If their own efforts are steadily directed to this end, it will be possible for them in due course to take their place among the free and peaceful peoples of the world.

The text of the agreement is as follows:  
"THE POLITICAL AND ECONOMIC PRINCIPLES TO GOVERN THE TREATMENT OF GERMANY IN THE INITIAL CONTROL PERIOD"

### "A. POLITICAL PRINCIPLES"

"1. In accordance with the Agreement on Control Machinery in Germany, supreme authority in Germany is exercised on instructions from their respective Governments, by the Commander-in-Chief of the armed forces of the United States of America, the United Kingdom, the Union of Soviet Socialist Republics, and the French Republic, each in his own zone of occupation, and also jointly, in matters affecting Germany as a whole, in their capacity as members of the Control Council.

"2. So far as is practicable, there shall be uniformity of treatment of the German population throughout Germany.

"3. The purposes of the occupation of Germany by which the Control Council shall be guided are:

"(i) The complete disarmament and demilitarization of Germany and the elimination or control of all German industry that could be used for military production. To these ends—

"(a) All German land, naval, and air forces, the SS, SA, SD, and Gestapo, with all their organizations, staffs, and institutions, including the general staff, the officers' corps, reserve corps, military schools, war veterans' organizations, and all other military and quasi-military organizations, together with all clubs and associations which serve to keep alive the military tradition in Germany, shall be completely and finally abolished in such manner as perma-

nently to prevent the revival or reorganization of German militarism and nazism.

"(b) All arms, ammunition, and implements of war and all specialized facilities for their production shall be held at the disposal of the Allies or destroyed. The maintenance and production of all aircraft and all arms, ammunition and implements of war shall be prevented.

"(ii) To convince the German people that they have suffered a total military defeat and that they cannot escape responsibility for what they have brought upon themselves, since their own ruthless warfare and the fanatical Nazi resistance have destroyed German economy and made chaos and suffering inevitable.

"(iii) To destroy the National Socialist Party and its affiliated and supervised organizations, to dissolve all Nazi institutions, to insure that they are not revived in any form, and to prevent all Nazi and militarist activity or propaganda.

"(iv) To prepare for the eventual reconstruction of German political life on a democratic basis and for eventual peaceful cooperation in international life by Germany.

"4. All Nazi laws which provided the basis of the Hitler regime or established discrimination on grounds of race, creed, or political opinion shall be abolished. No such discriminations, whether legal, administrative, or otherwise, shall be tolerated.

"5. War criminals and those who have participated in planning or carrying out Nazi enterprises involving or resulting in atrocities or war crimes shall be arrested and brought to judgment. Nazi leaders, influential Nazi supporters, and high officials of Nazi organizations and institutions, and any other persons dangerous to the occupation or its objectives shall be arrested and interned.

"6. All members of the Nazi Party who have been more than nominal participants in its activities and all other persons hostile to Allied purposes shall be removed from public and semipublic office, and from positions of responsibility in important private undertakings. Such persons shall be replaced by persons who, by their political and moral qualities, are deemed capable of assisting in developing genuine democratic institutions in Germany.

"7. German education shall be so controlled as completely to eliminate Nazi and militarist doctrines and to make possible the successful development of democratic ideas.

"8. The judicial system will be reorganized in accordance with the principles of democracy, of justice under law, and of equal rights for all citizens without distinction of race, nationality, or religion.

"9. The administration of affairs in Germany should be directed toward the decentralization of the political structure and the development of local responsibility. To this end:

"(i) Local self-government shall be restored throughout Germany on democratic principles, and in particular, through elective councils as rapidly as is consistent with military security and the purposes of military occupation.

"(ii) All democratic political parties with rights of assembly and of public discussion shall be allowed and encouraged throughout Germany.

"(iii) Representative and elective principles shall be introduced into regional, provincial, and state (Land) administration as rapidly as may be justified by the successful application of these principles in local self-government.

"(iv) For the time being no central German Government shall be established. Notwithstanding this, however, certain essential central German administrative departments, headed by State secretaries, shall be established, particularly in the fields of finance, transport, communications, foreign trade,

and industry. Such departments will act under the direction of the Control Council.

"10. Subject to the necessity for maintaining military security, freedom of speech, press, and religion shall be permitted, and religious institutions shall be respected. Subject likewise to the maintenance of military security, the formation of free trade unions shall be permitted.

#### "B. ECONOMIC PRINCIPLES

"11. In order to eliminate Germany's war potential, the production of arms, ammunition, and implements of war as well as all types of aircraft and seagoing ships shall be prohibited and prevented. Production of metals, chemicals, machinery, and other items that are directly necessary to a war economy shall be rigidly controlled and restricted to Germany's approved postwar peacetime needs to meet the objectives stated in paragraph 15. Productive capacity not needed for permitted production shall be removed in accordance with the reparations plan recommended by the Allied Commission on Reparations and approved by the governments concerned or, if not removed, shall be destroyed.

"12. At the earliest practicable date, the German economy shall be decentralized for the purpose of eliminating the present excessive concentration of economic power as exemplified in particular by cartels, syndicates, trusts, and other monopolistic arrangements.

"13. In organizing the German economy, primary emphasis shall be given to the development of agriculture and peaceful domestic industries.

"14. During the period of occupation Germany shall be treated as a single economic unit. To this end common policies shall be established in regard to—

"(a) Mining and industrial production and allocation.

"(b) Agriculture, forestry, and fishing.

"(c) Wages, prices, and rationing.

"(d) Import and export programs for Germany as a whole.

"(e) Currency and banking, central taxation, and customs.

"(f) Reparation and removal of industrial war potential.

"(g) Transportation and communications.

"In applying these policies account shall be taken, where appropriate, of varying local conditions.

"15. Allied controls shall be imposed upon the German economy but only to the extent necessary—

"(a) To carry out programs of industrial disarmament and demilitarization of reparations, and of approved exports and imports.

"(b) To assure the production and maintenance of goods and services required to meet the needs of the occupying forces and displaced persons in Germany and essential to maintain in Germany average living standards not exceeding the average of standards of living of European countries. (European countries means all European countries excluding the United Kingdom and the Union of Soviet Socialist Republics.)

"(c) To insure in the manner determined by the Control Council the equitable distribution of essential commodities between the several zones so as to produce a balanced economy throughout Germany and reduce the need for imports.

"(d) To control German industry and all economic and financial international transactions, including exports and imports, with the aim of preventing Germany from developing a war potential and of achieving the other objectives named herein.

"(e) To control all German public or private scientific bodies, research and experimental institutions, laboratories, etc., connected with economic activities.

"16. In the imposition and maintenance of economic controls established by the Control Council, German administrative machinery shall be created and the German au-

thorities shall be required to the fullest extent practicable to proclaim and assume administration of such controls. Thus it should be brought home to the German people that the responsibility for the administration of such controls and any breakdown in these controls will rest with themselves. Any German controls which may run counter to the objectives of occupation will be prohibited.

"17. Measures shall be promptly taken—  
"(a) to effect essential repair of transport;

"(b) to enlarge coal production;

"(c) to maximize agricultural output; and

"(d) to effect emergency repair of housing and essential utilities.

"18. Appropriate steps shall be taken by the Control Council to exercise control and the power of disposition over German-owned external assets not already under the control of United Nations which have taken part in the war against Germany.

"19. Payment of reparations should leave enough resources to enable the German people to subsist without external assistance. In working out the economic balance of Germany the necessary means must be provided to pay for imports approved by the Control Council in Germany. The proceeds of exports from current production and stock shall be available in the first place for payment for such imports.

"The above clause will not apply to the equipment and products referred to in paragraphs 4 (a) and 4 (b) of the reparations agreement."

#### IV. REPARATIONS FROM GERMANY

In accordance with the Crimea decision that Germany be compelled to compensate to the greatest possible extent for the loss and suffering that she has caused to the United Nations and for which the German people cannot escape responsibility, the following agreement on reparations was reached:

1. Reparation claims of the U. S. S. R. shall be met by removals from the zone of Germany occupied by the U. S. S. R. and from appropriate German external assets.

2. The U. S. S. R. undertakes to settle the reparation claims of Poland from its own share of reparations.

3. The reparation claims of the United States, the United Kingdom, and other countries entitled to reparations shall be met from the western zones and from appropriate German external assets.

4. In addition to the reparations to be taken by the U. S. S. R. from its own zone of occupation, the U. S. S. R. shall receive additionally from the western zones:

(a) 15 percent of such usable and complete industrial capital equipment, in the first place from the metallurgical, chemical, and machine-manufacturing industries, as is unnecessary for the German peace economy and should be removed from the western zones of Germany, in exchange for an equivalent value of food, coal, potash, zinc, timber, clay products, petroleum products, and such other commodities as may be agreed upon.

(b) 10 percent of such industrial capital equipment as is unnecessary for the German peace economy and should be removed from the western zones, to be transferred to the Soviet Government on reparations account without payment or exchange of any kind in return.

Removals of equipment as provided in (a) and (b) above shall be made simultaneously.

5. The amount of equipment to be removed from the western zones on account of reparations must be determined within 6 months from now at the latest.

6. Removals of industrial capital equipment shall begin as soon as possible and shall be completed within 2 years from the determination specified in paragraph 5. The delivery of products covered by 4 (a) above shall

begin as soon as possible and shall be made by the U. S. S. R. in agreed installments within 5 years of the date hereof. The determination of the amount and character of the industrial capital equipment unnecessary for the German peace economy and therefore available for reparations shall be made by the Control Council under policies fixed by the Allied Commission on Reparations, with the participation of France, subject to the final approval of the zone commander in the zone from which the equipment is to be removed.

7. Prior to the fixing of the total amount of equipment subject to removal, advance deliveries shall be made in respect of such equipment as will be determined to be eligible for delivery in accordance with the procedure set forth in the last sentence of paragraph 6.

8. The Soviet Government renounces all claims in respect of reparations to shares of German enterprises which are located in the western zones of occupation in Germany as well as to German foreign assets in all countries except those specified in paragraph 9 below.

9. The Governments of the United Kingdom and United States of America renounce their claims in respect of reparations to shares of German enterprises which are located in the eastern zone of occupation in Germany, as well as to German foreign assets in Bulgaria, Finland, Hungary, Rumania, and eastern Austria.

10. The Soviet Government makes no claims to gold captured by the Allied troops in Germany.

#### V. DISPOSAL OF THE GERMAN NAVY AND MERCHANT MARINE

The Conference agreed in principle upon arrangements for the use and disposal of the surrendered German fleet and merchant ships. It was decided that the three Governments would appoint experts to work out together detailed plans to give effect to the agreed principles. A further joint statement will be published simultaneously by the three Governments in due course.

#### VI. CITY OF KOENIGSBERG AND THE ADJACENT AREA

The Conference examined a proposal by the Soviet Government that pending the final determination of territorial questions at the peace settlement, the section of the western frontier of the Union of Soviet Socialist Republics which is adjacent to the Baltic Sea should pass from a point on the eastern shore of the Bay of Danzig to the east, north of Braunsberg-Goldap, to the meeting point of the frontiers of Lithuania, the Polish Republic, and East Prussia.

The Conference has agreed in principle to the proposal of the Soviet Government concerning the ultimate transfer to the Soviet Union of the city of Koenigsberg and the area adjacent to it as described above, subject to expert examination of the actual frontier.

The President of the United States and the British Prime Minister have declared that they will support the proposal of the Conference at the forthcoming peace settlement.

#### VII. WAR CRIMINALS

The three Governments have taken note of the discussions which have been proceeding in recent weeks in London between British, United States, Soviet, and French representatives with a view to reaching agreement on the methods of trial of those major war criminals whose crimes under the Moscow Declaration of October 1943, have no particular geographic allocation. The three Governments reaffirm their intention to bring those criminals to swift and sure justice. They hope that the negotiations in London will result in speedy agreement being reached for this purpose, and they regard it as a matter of great importance that the trial of those major criminals should begin at the earliest possible date. The first list of defendants will be published before September 1.

## VIII. AUSTRIA

The Conference examined a proposal by the Soviet Government on the extension of the authority of the Austrian Provisional Government to all of Austria.

The three Governments agreed that they were prepared to examine this question after the entry of the British and American forces into the city of Vienna.

## IX. POLAND

The Conference considered questions relating to the Polish Provisional Government and the western boundary of Poland.

On the Polish Provisional Government of National Unity they defined their attitude in the following statement:

"(a) We have taken note with pleasure of the agreement reached among representative Poles from Poland and abroad which has made possible the formation, in accordance with the decisions reached at the Crimea Conference, of a Polish Provisional Government of National Unity recognized by the three powers. The establishment by the British and United States Governments of diplomatic relations with the Polish Provisional Government has resulted in the withdrawal of their recognition from the former Polish Government in London, which no longer exists.

"The British and United States Governments have taken measures to protect the interest of the Polish Provisional Government as the recognized Government of the Polish State in the property belonging to the Polish State located in their territories and under their control, whatever the form of this property may be. They have further taken measures to prevent alienation to third parties of such property. All proper facilities will be given to the Polish Provisional Government for the exercise of the ordinary legal remedies for the recovery of any property belonging to the Polish State which may have been wrongfully alienated.

"The three powers are anxious to assist the Polish Provisional Government in facilitating the return to Poland as soon as practicable of all Poles abroad who wish to go, including members of the Polish armed forces and the merchant marine. They expect that those Poles who return home shall be accorded personal and property rights on the same basis as all Polish citizens.

"The three powers note that the Polish Provisional Government in accordance with the decisions of the Crimea Conference has agreed to the holding of free and unfettered elections as soon as possible on the basis of universal suffrage and secret ballot in which all democratic and anti-Nazi parties shall have the right to take part and to put forward candidates, and that representatives of the Allied press shall enjoy full freedom to report to the world upon developments in Poland before and during the elections.

"(b) The following agreement was reached on the western frontier of Poland:

"In conformity with the agreement on Poland reached at the Crimea Conference the three heads of government have sought the opinion of the Polish Provisional Government of National Unity in regard to the accession of territory in the north and west which Poland should receive. The President of the National Council of Poland and members of the Polish Provisional Government of National Unity have been received at the conference and have fully presented their views. The three heads of government reaffirm their opinion that the final delimitation of the western frontier of Poland should await the peace settlement.

"The three heads of government agree that, pending the final determination of Poland's western frontier, the former German territories east of a line running from the Baltic Sea immediately west of Swinemunde, and thence along the Oder River to the confluence of the western Neisse River and along the western Neisse to the Czechoslovak fron-

tier, including that portion of east Prussia not placed under the administration of the Union of Soviet Socialist Republics in accordance with the understanding reached at this conference and including the area of the former Free City of Danzig, shall be under the administration of the Polish state and for such purposes should not be considered as part of the Soviet zone of occupation in Germany."

## X. CONCLUSION OF PEACE TREATIES AND ADMISSION TO THE UNITED NATIONS ORGANIZATION

The conference agreed upon the following statement of common policy for establishing, as soon as possible, the conditions of lasting peace after victory in Europe:

"The three governments consider it desirable that the present anomalous position of Italy, Bulgaria, Finland, Hungary, and Rumania should be terminated by the conclusion of peace treaties. They trust that the other interested Allied Governments will share these views.

"For their part the three governments have included the preparation of a peace treaty for Italy as the first among the immediate important tasks to be undertaken by the new Council of Foreign Ministers. Italy was the first of the Axis Powers to break with Germany, to whose defeat she has made a material contribution and has now joined with the Allies in the struggle against Japan. Italy has freed herself from the Fascist regime and is making good progress toward the reestablishment of a democratic government and institutions. The conclusion of such a peace treaty with a recognized and democratic Italian Government will make it possible for the three governments to fulfill their desire to support an application from Italy for membership of the United Nations.

"The three governments have also charged the Council of Foreign Ministers with the task of preparing peace treaties for Bulgaria, Finland, Hungary, and Rumania. The conclusion of peace treaties with recognized democratic governments in these states will also enable the three governments to support applications from them for membership of the United Nations. The three governments agree to examine each separately in the near future, in the light of the conditions then prevailing, the establishment of diplomatic relations with Finland, Rumania, Bulgaria, and Hungary to the extent possible prior to the conclusion of peace treaties with those countries.

"The three Governments have no doubt that in view of the changed conditions resulting from the termination of the war in Europe, representatives of the Allied press will enjoy full freedom to report to the world upon developments in Rumania, Bulgaria, Hungary, and Finland.

"As regards the admission of other states into the United Nations Organization, article 4 of the Charter of the United Nations declares that—

"1. Membership in the United Nations is open to all other peace-loving states who accept the obligations contained in the present Charter and, in the judgment of the organization, are able and willing to carry out these obligations.

"2. The admission of any such state to membership in the United Nations will be effected by a decision of the General Assembly upon the recommendation of the Security Council."

"The three Governments, so far as they are concerned, will support applications for membership from those states which have remained neutral during the war and which fulfill the qualifications set out above.

"The three Governments feel bound, however, to make it clear that they for their part would not favor any application for membership put forward by the present Spanish Government which, having been founded with support of the Axis Powers, does not, in view of its origins, its nature, its rec-

ord, and its close association with the aggressor states, possess the qualifications necessary to justify such membership."

## XI. TERRITORIAL TRUSTEESHIPS

The Conference examined a proposal by the Soviet Government concerning trusteeship territories as defined in the decision of the Crimea Conference and in the Charter of the United Nations Organization.

After an exchange of views on this question it was decided that the disposition of any former Italian territories was one to be decided in connection with the preparation of a peace treaty for Italy and that the question of Italian territory would be considered by the September Council of Ministers of Foreign Affairs.

## XII. REVISED ALLIED CONTROL COMMISSION PROCEDURE IN RUMANIA, BULGARIA, AND HUNGARY

The three Governments took note that the Soviet representatives on the Allied Control Commissions in Rumania, Bulgaria and Hungary, have communicated to their United Kingdom and United States colleagues, proposals for improving the work of the Control Commission, now that hostilities in Europe have ceased.

The three Governments agree that the revision of the procedures of the Allied Control Commissions in these countries would now be undertaken, taking into account the interests and responsibilities of the three Governments which together presented the terms of armistice to the respective countries, and accepting as a basis the agreed proposals.

## XIII. ORDERLY TRANSFERS OF GERMAN POPULATIONS

The Conference reached the following agreement on the removal of Germans from Poland, Czechoslovakia, and Hungary:

The three Governments, having considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia, and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

Since the influx of a large number of Germans into Germany would increase the burden already resting on the occupying authorities, they consider that the Allied Control Council in Germany should in the first instance examine the problem with special regard to the question of the equitable distribution of these Germans among the several zones of occupation. They are accordingly instructing their respective representatives on the Control Council to report to their governments as soon as possible the extent to which such persons have already entered Germany from Poland, Czechoslovakia, and Hungary, and to submit an estimate of the time and rate at which further transfers could be carried out, having regard to the present situation in Germany.

The Czechoslovak Government, the Polish Provisional Government, and the Control Council in Hungary are at the same time being informed of the above, and are being requested meanwhile to suspend further expulsions pending the examination by the Governments concerned of the report from their representatives on the Control Council.

## XIV. MILITARY TALKS

During the Conference there were meetings between the Chiefs of Staff of the three Governments on military matters of common interests.

Approved:

J. V. STALIN.  
HARRY S. TRUMAN.  
C. R. ATTLEE.

Mr. BARKLEY. Mr. President, after that was done it became obvious that it would not be in the interests either of German economy or of European economy or recovery to go through with the

program involved in the first understanding at Berlin. We understand, of course, the attitude and the circumstances surrounding the position assumed by the victorious nations at that time. Germany had inflicted untold injuries upon all the countries in Europe, and they were necessarily laboring under the impetus of victory and smarting under the injury which had been caused by German aggression.

During the period from March 1946 until the fall of 1947, it became obvious that that original program could not be carried out without making the German people and the German economy totally short of self-sufficiency, and without at the same time injuring the recovery program in Europe itself. So that plan was revised.

I have here a statement issued by Gen. Lucius D. Clay, general of the United States Army, and by Marshal Douglas, of the British Royal Air Force and military governor of the United Kingdom zone in Germany, which I think it would be interesting to read. It is very short. It was issued on October 16, 1947, and is as follows:

OCTOBER 16, 1947.

MESSAGE TO THE GERMANS FROM THE BRITISH  
AND AMERICAN COMMANDERS IN CHIEF

On August 29, 1947, at a joint conference of the world and German press, we announced the adoption of a revised plan for the level of industry in the British and American zones of occupation in Germany. We stated that the list of plants to be made available for reparations under the new plan would be made public without delay. This list has now been completed and is being issued today. It does not contain plants in certain prohibited industries, the future of which is under review.

We have been conscious of the importance of enabling German industries to have the certainty which is the basis of sound planning, and the list now published will clear away the doubts which have previously existed. It contains plants which have already been removed, as well as those which still must go. It includes war plants of the two zones containing equipment suitable for reparations, although a large proportion of these have already been dismantled or destroyed, and also the advanced reparations plants which were made available by the zone commanders in the fall of 1945.

Between the surrender of Germany and the entering into of the original agreement which I mentioned a moment ago, certain advance dismantlings took place in the fall of 1945.

It now names in addition those plants which are not required to support the new level of industry, and which will now be declared to the Allied Control Council as available for reparations to those countries which suffered from the war of aggression.

The surplus capacity has been chosen with great care to insure that a balanced industrial economy, capable of self-support and of making a large contribution to the economic rehabilitation not only of Germany but also of Europe, is left in Germany. In the selection of plants particular care has been taken to avoid wherever possible the creation of local unemployment.

While the plan must be regarded as a firm one, well-founded suggestions for the substitution of equivalent individual plants will be considered if they are submitted within the next 14 days by the appropriate German economic agencies in the various Länder and city states.

The very substantial increase in the bizonal level of industry and the correspond-

ing reduction in the number of plants to be made available for reparations reflect the importance attached by military government to the reestablishment of a viable economy in Germany. Conversely, the fact that it has been necessary to curtail the reparations due to the victims of German aggression makes it imperative that the surplus plant capacity as now determined be made available without delay.

In announcing these decisions, we wish to make it clear that all necessary steps for the speediest possible fulfillment of the program will be taken so that on the one hand German industry may get ahead with its constructive tasks, and on the other hand that the nations receiving reparations of capital plant and equipment may be able to turn these resources to good account during these next few years when the economic recovery of Europe must be expedited by every possible means.

LUCIUS D. CLAY,  
General, United States Army, Military Governor, United States Zone.

SHOLTO DOUGLAS,  
Marshal of the Royal Air Force, Military Governor, United Kingdom Zone.

With this release by the two commanding officers of the two zones there was also released a list of the plants which would be available for dismantling and for payment of reparations in the two zones. It is too thick a document for me to ask that it be printed, but I have it in my possession if any Senator wishes to see it.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. I had an interview with General Clay after this release, in which the dismantling program was to be revised. It was my information, as I recall, that there were still 380 plants in Germany that were to be dismantled.

Mr. BARKLEY. I shall give the exact figures.

I happened to be in Germany during Christmas week. On the 31st of December last, which was 2 months ago, a letter was addressed to me by the director of the dismantling plan. The day before I had asked General Clay and Ambassador Murphy to give me the facts in regard to the reparations situation and the dismantling of plants in Germany, because there was a good deal of confusion and misunderstanding in the United States, and various statements had been given to the press. I stated that I would like to have the facts as they existed on that day. On the 31st of December, I received a letter from Mr. Wilkinson, the director of the dismantling program and the reparations program. Under the direction of General Clay, Mr. Wilkinson obtained the facts and gave me this letter, which I shall read. I think it contains the information to which the Senator from Nebraska has reference. The letter reads as follows:

DECEMBER 31, 1947.

HON. ALBEN W. BARKLEY,  
Care of Military Governor,  
Berlin, Germany.

DEAR SENATOR BARKLEY: The following information is presented regarding the reparations program:

OLD LEVEL OF INDUSTRY PLAN—MARCH 1946

In March 1946 the four occupying powers, acting through the Allied Central Authority, adopted a plan for reparations and the level

of postwar German economy. The objectives of the plan were to eliminate Germany's war potential, to provide reparations and yet to leave within Germany the necessary plant and equipment to permit the rebuilding of a visible, peaceful economy.

Experience has shown the necessity for revision of the plan, which was based on specific assumptions that have not been fulfilled. Neither the bizonal area nor all of Germany can regain economic health under the plan. Moreover, it has become increasingly apparent that with such limitations Germany could not contribute her indispensable part to the economic rehabilitation of Europe as a whole.

There is attached a copy of the original level-of-industry plan and a list of the plants that were selected under it.

I have that list before me, and I have obtained consent to have the plan printed in the RECORD.

BIZONAL LEVEL OF INDUSTRY PLAN, AUGUST 1947

On August 29, 1947, the revised plan for the level of industry in the United States-United Kingdom zones of Germany was announced, and on October 16, 1947, a list of plants was published under the new bizonal plan. In addition to surplus industrial plants, this list also included war plants (although a large portion of these have already been dismantled or destroyed) of the two zones, containing general-purpose equipment suitable for reparations and the advanced reparations plants which were made available by the zone commanders in the fall of 1945—

To which I have already referred.

There is attached a summary of the plants and part plants listed for reparations from the United States-United Kingdom zones under the revised plan.

VALUATION OF REPARATIONS

Under the March 1946 plan for the level of industry, the plants selected for removal in the United States zone had an estimated value of 385,000,000 reichsmarks. The revised plan has reduced this figure to approximately 240,000,000 reichsmarks, and inventory and evaluation work for the plants listed for the United States zone have been completed. The evaluation of these plants was made under a quadripartite approved formula based on the 1938 reichsmark replacement value of the equipment in Germany less war damage and depreciation.

The inventory and evaluation work for the plants selected in the British zone has not been completed, but it is believed that the value of the plants will approximate 600,000,000 to 800,000,000 reichsmarks, which would probably be 50 percent of the value of the plants as listed under the 1946 plan. In other words, plants with a value of some 800,000,000 to 1,000,000,000 reichsmarks are scheduled for removal under the new plan, as against the 1946 plan, which, for both zones, would approach 2,000,000,000 reichsmarks.

In other words, the value in reichsmarks under the revised plan reduced the value of the plants from approximately 2,000,000,000 reichsmarks to between 800,000,000 and 1,000,000,000 reichsmarks.

I read further:

DISMANTLING

Out of the 105 category I war plants in the United States zone which contain reparations equipment, 81 have been completely dismantled and work is in progress on the remaining 24 plants. Ten of the advance delivery plants have been completely dismantled and work is being performed on the two remaining.

The schedule for completion of dismantling of all of the 186 plants in the United

States zone listed under the new plan provides that 70 percent of the dismantling will be completed by March 31, 1948, with the dismantling of the remaining plants to be completed before the end of the year 1948.

In other words, of the total 662 plants left under the revised plan to be dismantled, 186 of them are in the American zone, and 70 percent of them were to be completely dismantled by the end of March, and the other 30 percent during the remainder of 1948.

I read further:

Out of the 476 plants made available from the United Kingdom zone which include the plants originally selected as advance delivery category I war plants and the other plants, approximately 70 of these plants have been dismantled, and work is being performed on 123 other plants.

It is estimated that dismantling work will be completed in the United Kingdom zone during the latter part of 1949 or the early part of 1950.

It seems to me, Mr. President, that in both cases 70 percent of the dismantling provided for under the revised plan had been accomplished at the time when this letter was written—the 31st of December—or would be accomplished during the month of March.

I read further:

#### ALLOCATION OF PLANTS

Under the Potsdam agreement, 25 percent of the reparation equipment from the three western zones is allocated to the U. S. S. R. and Poland, and 75 percent to the western nations, as represented by the Inter-Allied Reparation Agency at Brussels.

Mr. WHERRY. Mr. President, will the Senator repeat that statement as to Russia?

Mr. BARKLEY. Twenty-five percent of the reparations to be taken from Germany were to go to Russia and Poland; but the agreement did not state the proportion to go to either Russia or Poland. That was left to be determined by agreement between Russia and Poland.

I read further:

Since the Inter-Allied Reparation Agency must suballocate its share to the member nations and this has taken considerable time, deliveries to the western nations have lagged behind those to the Union of Soviet Socialist Republics, where no suballocation was necessary.

Of course, it was simpler to carry out the allocation of the 25 percent to Russia and Poland than the 75 percent to the other 16 nations which were to be the beneficiaries of this reparations program.

I read further:

As a result, 95 percent of the equipment already allocated to the Union of Soviet Socialist Republics and Poland has already been delivered, and the balance will be shipped within a few weeks.

As a matter of policy, no deliveries will be made to the Union of Soviet Socialist Republics and Poland of any future allocations of plants on the reparations list until the problem of economic unification of Germany is solved.

That letter was signed by Mr. L. Wilkinson, director of the reparations and dismantling program. I ask that the entire letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DECEMBER 31, 1947.

HON. ALBEN W. BARKLEY,  
Care of Military Governor,  
Berlin, Germany.

DEAR SENATOR BARKLEY: The following information is presented regarding the reparations program:

#### OLD LEVEL OF INDUSTRY PLAN—MARCH 1946

In March 1946 the four occupying powers, acting through the Allied Control Authority, adopted a plan for reparations and the level of postwar Germany economy. The objectives of the plan were to eliminate Germany's war potential, to provide reparations and yet to leave within Germany the necessary plant and equipment to permit the rebuilding of a viable peaceful economy.

Experience has shown the necessity for revision of the plan, which was based on specific assumptions that have not been fulfilled. Neither the bizonal area nor all of Germany can regain economic health under the plan. Moreover, it has become increasingly apparent that with such limitations Germany could not contribute her indispensable part to the economic rehabilitation of Europe as a whole.

There is attached a copy of the original level of industry plan and a list of the plants that were selected under it.

#### BIZONAL LEVEL OF INDUSTRY PLAN—AUGUST 1947

On August 29, 1947, the revised plan for the level of industry in the United States-United Kingdom zones of Germany was announced and on October 16, 1947, a list of plants was published under the new bizonal plan. In addition to surplus industrial plants, this list also included war plants (although a large portion of these have already been dismantled or destroyed) of the two zones, containing general-purpose equipment suitable for reparations, and the advance reparations plants which were made available by the zone commanders in the fall of 1945.

There is attached a summary of the plants and part plants listed for reparations from the United States-United Kingdom zones under the revised plan.

#### VALUATION OF REPARATIONS

Under the March 1946 plan for the level of industry, the plants selected for removal in the United States zone had an estimated value of 385,000,000 reichsmarks. The revised plan has reduced this figure to approximately 240,000,000 reichsmarks, and inventory and evaluation work for the plants listed for the United States zone have been completed. The evaluation of those plants was made under a quadripartite approved formula based on the 1938 reichsmark replacement value of the equipment in Germany, less war damage and depreciation.

The inventory and evaluation work for the plants selected in the British zone has not been completed, but it is believed that the value of the plants will approximate six hundred to eight hundred million reichsmarks, which would probably be 50 percent of the value of the plants as listed under the 1946 plan. In other words, plants with a value of some 800,000,000 to 1,000,000,000 reichsmarks are scheduled for removal under the new plan as against the 1946 plan, which, for both zones, would approach 2,000,000,000 reichsmarks.

#### DISMANTLING

Out of the 105 category I war plants in the United States zone which contain reparations equipment, 81 have been completely dismantled, and work is in progress on the remaining 24 plants. Ten of the advance delivery plants have been completely dismantled, and work is being performed on the two remaining.

The schedule for completion of dismantling of all of the 186 plants in the United States zone listed under the new plan provides that 70 percent of the dismantling will be completed by March 31, 1948, with the dismantling of the remaining plants to be completed before the end of the year 1948.

Out of the 476 plants made available from the United Kingdom zone, which include the plants originally selected as advance delivery category I war plants and the other plants, approximately 70 of these plants have been dismantled, and work is being performed on 123 other plants.

It is estimated that dismantling work will be completed in the United Kingdom zone during the latter part of 1949 or the early part of 1950.

#### ALLOCATION OF PLANTS

Under the Potsdam agreement, 25 percent of the reparation equipment from the three western zones is allocated to the U. S. S. R. and Poland, and 75 percent to the western nations, as represented by the Inter-Allied Reparation Agency at Brussels. Since the Inter-Allied Reparation Agency must suballocate its share to the member nations, and this has taken considerable time, deliveries to the western nations have lagged behind those to the U. S. S. R., where no suballocation was necessary. As a result, 95 percent of the equipment already allocated to the U. S. S. R. and Poland has already been delivered, and the balance will be shipped within a few weeks.

As a matter of policy, no deliveries will be made to the U. S. S. R. and Poland of any future allocations of plants on the reparations list, until the problem of economic unification of Germany is solved.

L. WILKINSON,  
Director.

(Three inclosures: Inclosure 1, old plan; inclosure 2, list of plants under old plan; inclosure 3, new plan—list of plants.)

Mr. WHERRY. Mr. President, the conversation I had with General Clay took place after this letter was written. I refer to the letter the Senator from Kentucky now has placed in the RECORD. To attempt to harmonize the figures, as I recall the answer to my question to him, it was stated that there were, in all—not only in the American zone and the United Kingdom zone, but also the French zone—380 plants which were to be dismantled, at the time I talked to him, in keeping with the new revised list which the minority leader has just presented for the RECORD.

According to the figures submitted, there would be 123 plants yet to be dismantled, to go from the United Kingdom zone, and 55 out of the American zone, if I correctly recall the figures; and to them should be added the plants which should go to France, I suppose, not including those to go to Russia and Poland.

So to a great extent that letter almost bears out the figures he gave me.

Mr. BARKLEY. The Senator saw General Clay early in February, I believe.

Mr. WHERRY. That is correct.

Mr. BARKLEY. And this letter was written on December 31. There is no disagreement as to the total number.

Mr. WHERRY. I think not. I agree that there is not.

Mr. BARKLEY. The total in the British and American zones is 662.

Mr. WHERRY. That is correct.

Mr. BARKLEY. And of them, 186 were in the American zone.

Mr. WHERRY. That is correct.

Mr. BARKLEY. And 476 were in the British zone.

Mr. WHERRY. Yes, and 70 percent of that number had been dismantled.

Mr. BARKLEY. Yes.

Mr. WHERRY. Or at least their dismantling had been begun.

So it still leaves 123 in the British zone and 55 in the American zone which had not been touched at the time when that letter was written.

Mr. BARKLEY. They had not been at that time; yes.

Mr. WHERRY. I wish to ask the Senator a question, and once again I desire to point out something which I have read in the report of the House Committee on Foreign Aid. This was set forth in detail, and they recommended as late as the beginning of this month that no further dismantling be made until we decide what we shall do under this foreign-aid program. I think that is a good recommendation.

So in view of the allocations of steel which are to bring the production of France and the United Kingdom up to certain levels, and in view of the fact that last year France obtained 90 percent of its production on the basis of the 1938 level, would it not be possible to discontinue the dismantling of these plants, or else figure them in the allocations of steel going to the recipient countries, so that under the foreign-aid program we shall start with the allocations of new steel predicated upon the continuance of the dismantling, or else have no dismantling until we know what the industry level is going to be?

It seems to me that to pull Germany down and to build France up to a level that goes far beyond the prewar level of 1938 is one thing, but in addition to that, more than 50 percent of the allocations of steel under the foreign-aid bill goes to Great Britain and France. Are we to seek to build up those two countries to a level far beyond the 1938 level by adding to the reparations program and by insisting upon the additional allocation of steel, which today is so scarce in this country? I submit to the distinguished Senator, who is on the committee, this proposition: Would the Senator accept an amendment to the pending bill providing that no further dismantling shall be done under the leveling-off agreements until after there has been a determination of ERP legislation which the Senate is now considering?

Mr. BARKLEY. I have no authority to accept or reject an amendment, but I would not favor that sort of amendment if the Senator asks me for my own view.

Mr. WHERRY. Yes; that is what I was asking for.

Mr. BARKLEY. I did not rise to get into any argument over the merits of whether any given plant in Germany should be dismantled and sent into one of the allied countries under an agreement for reparations.

Mr. WHERRY. I appreciate that.

Mr. BARKLEY. I wanted to dissipate the confusion as to the number of plants subject to being dismantled under the revised program. It is about one-third of those originally designed to be dismantled.

Mr. WHERRY. I think that is correct.

Mr. BARKLEY. I refer to the action of the Allied control, especially within recent months. I would have to exclude Russia from that because they have not cooperated, not having been particularly impressed with the need for reconstructing the economy of Germany. They had to consider, of course, how many plants had been built in Germany during the increase of industrial activity for war purposes, and how many of those plants were absolutely necessary for the peacetime economy of Germany, obliterating any idea of war or war preparation. I think that they have shown their wisdom in revising the original plan, which was probably made in the vindictive atmosphere of war victory, so that approximately one-third of the plants originally intended for dismantling have now been settled on as the number which should be subject to some further revision as they review the situation.

We have an agreement with other nations in regard to the matter. We cannot unilaterally decide that France or Belgium or Holland or Luxembourg or Norway or Denmark is not entitled to reparations. We agreed that 75 percent of the dismantled plants and their equipment should go to the western allies, 25 percent to Russia. Due to the simplicity of the Russian situation they have gotten a larger proportion of their reparations than have the other countries, but I could not take the position that we can ourselves violate an agreement which we have made in connection with the distribution of the equipment. I may say, however, that if they get all of that which is intended for them under the reparations agreement, certainly the Administrator would be authorized to take that into consideration in determining how much more of the same sort of equipment they should receive under the program we are now considering.

Mr. WHERRY and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I am still yielding to the Senator from Nebraska. I will yield to other Senators in a moment.

Mr. WHERRY. I want to thank the minority leader for his explanation and for the facts he has contributed. I think his statement is highly beneficial.

Mr. BARKLEY. I thank the Senator.

Mr. WHERRY. My feeling is we are making this agreement with the very countries that are taking the reparations.

Mr. EASTLAND. Mr. President, will the Senator from Nebraska yield?

Mr. WHERRY. I do not have the floor.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. BARKLEY. I yield.

Mr. EASTLAND. The Senator speaks of the agreement. Who has authority to speak for the United States?

Mr. WHERRY. What I am saying is that in the new legislation now proposed 16 participating countries are to become recipients of its benefits. Those countries are ones of which the Senator from

Kentucky has been talking in connection with reparations and what they are entitled to. I humbly submit to the distinguished minority leader that the reparations that these countries are to obtain through the dismantling of German plants should be taken into consideration in connection with rebuilding those countries under the reconstruction program. Since bringing this question to the attention of the Senate recently I have read the recommendations of the group in the House that further dismantling be discontinued until complete revision is made and until the matter is reconsidered in the light of the pending legislation.

Mr. BARKLEY. Of course, that involves an arbitrary unilateral violation on our part of an agreement we entered into. The question may be raised as to who entered into the agreement. There had to be some arrangement made immediately after the surrender of Germany in regard to the occupation of Germany and what should be done. Everyone agreed that Germany should be disarmed, that her war plants should be destroyed, that whatever equipment might be in those war plants, or in a second category, that would be useful for peacetime purposes, should be transported to the Allied Nations. That agreement was entered into by all sides. Of course, it was not in the form of a treaty which would have to be ratified by the Senate, but it was a wartime agreement, which is customary in determining the question of occupation of a conquered country. That was the Berlin agreement, entered into and signed by Stalin, Truman, and Attlee, which I sent to the desk for printing.

Mr. WHERRY. That is the so-called Potsdam agreement, is it not?

Mr. BARKLEY. No; it was the Berlin agreement. There was a consultation at Potsdam, but the agreement was made in Berlin.

Mr. WHERRY. That is the so-called Potsdam agreement?

Mr. BARKLEY. It is the so-called Potsdam agreement.

Mr. WATKINS and other Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Kentucky yield; and if so, to whom?

Mr. BARKLEY. I do not want to monopolize the floor by discussions with the Senator from Nebraska. I yield to the Senator from Utah [Mr. WATKINS].

Mr. WATKINS. Mr. President, I wanted to ask the Senator from Kentucky a question. He has spoken a number of times of agreements. Does the Foreign Relations Committee have the number of agreements which have been entered into with respect to reparations in Germany?

Mr. BARKLEY. I do not know whether the committee has that information or not.

Mr. WATKINS. Has the committee ever investigated the number?

Mr. BARKLEY. There may be information filed with the Foreign Relations Committee. It is not a part of the hearings on the pending measure, as I recall. I am not certain whether a complete list is in the committee's possession.

Mr. WATKINS. I am seeking information. I have heard the agreements referred to from time to time. The statement is continually made that we cannot break any agreements which have been made. It seems to me the Senate of the United States ought to have information as to how many agreements there are, what they are, and what they contain. We have never yet had them.

Mr. BARKLEY. There were various agreements made, first at Yalta, then at Teheran, and then at Potsdam. The so-called Potsdam agreement, the one referred to here, is the Berlin protocol. Potsdam is just outside Berlin.

Mr. WATKINS. Is it the same agreement, by whatever name?

Mr. BARKLEY. It is the same one, whatever the name, yes. It is the only agreement entered into by Stalin, Truman, and Atelee, because I think that is the only conference that President Truman has attended at which Stalin and Atelee were present.

Mr. WATKINS. The Senator has referred, or there was a reference by a general, to subsequent changes in the plans. Who made those changes?

Mr. BARKLEY. Those changes were made by the interallied control in Germany.

Mr. WATKINS. By what authority?

Mr. BARKLEY. By the authority of each agency. General Clay had the authority of his Government to enter into negotiations with the other members of the Allied Control Commission, to determine what should take place in relation to the original agreement about the dismantling of some 1,800 or 1,900 plants.

Mr. WATKINS. Were those agreements reduced to writing?

Mr. BARKLEY. I presume so.

Mr. WATKINS. Does the Senator think we could obtain a list of them?

Mr. BARKLEY. I imagine we could.

Mr. WATKINS. And a copy of each of them?

Mr. BARKLEY. I imagine we could.

Mr. LANGER. Mr. President, I may say to the Senator that on March 4, at page 2101 of the RECORD, I submitted for appropriate reference a resolution calling for a compilation of international commitments or agreements, of which I understand there are about 20,000. It has been impossible to get a list of them.

Mr. BARKLEY. Oh, there are not 20,000 of them.

Mr. WATKINS. I wrote a letter to the Secretary of State not more than 10 days ago in an effort to obtain a list of them and to find out something about them. I have not even had a reply. I thought possibly the Senator from Kentucky could enlighten us.

Mr. BARKLEY. I do not remember all the agreements. I have not seen all the agreements, but there were four or five general agreements, one at Yalta, before the war ended, one at Teheran, and one at Potsdam, or Berlin. There was one at Paris involving the question of reparations. There have been various conferences in Paris, London, Berlin, Moscow, Yalta, Teheran, and so forth.

Mr. WATKINS. Are they what might be called executive agreements?

Mr. BARKLEY. They are military agreements made in consequence of occupation of conquered territory. The authority of the respective governments was required. I cannot tell the Senator specifically, because I have not seen the letters of commitment.

Mr. WATKINS. What bothers me in connection with the question is that one of the things which could not be agreed on was the matter of reparations.

Mr. BARKLEY. That is in regard to the treaty.

Mr. WATKINS. I understand. But they have been proceeding with reparations and making one agreement after another.

Mr. BARKLEY. There had to be an arrangement made following the conquest of Germany in order to dispose of war plants, and, in some way or other, to work out the situation involving reparations. Those who met on the subject had to decide whether they would undertake to pay reparations out of capital stock, capital investment in equipment, or out of current production. Inasmuch as Germany was not engaged in any current production, there was no possibility of using production as a basis, unless we were to pay the money out of the Treasury ourselves, which we did not see fit to do. So it was decided to pay reparations so far as possible out of capital investment in equipment in Germany.

Mr. WATKINS. Does the Senator think the committee can get for the Senate a list of the agreements involved and copies of them with regard to the whole problem?

Mr. BARKLEY. I suppose that the Committee on Foreign Relations could obtain any information which is available. I have not seen the documents myself.

Mr. WATKINS. I imagine the Senate would like to see those agreements. They have been referred to many times.

Mr. BARKLEY. It would be a futile thing to try to get the details of every agreement which has been entered into or to try to get the conversations between General Clay and the commanders in the different zones, but I have no doubt that the major agreements entered into can be obtained. So far as I am concerned, I shall be very glad to try to obtain them.

Mr. WATKINS. I shall appreciate the assistance of the Senator from Kentucky, because I have been unable to receive replies to my letters on the subject.

Mr. EASTLAND. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Mississippi.

Mr. EASTLAND. As I understand, the dismantling program of which the Senator from Kentucky speaks will, when it is concluded, leave Germany a production equal to that of 1936. Is that correct?

Mr. BARKLEY. That is correct. The level was revised upward so as to give Germany the level of production which she enjoyed approximately at a time when she was not stepping up production in contemplation of war. In other words, it was a normal production.

Mr. EASTLAND. Today western Germany has 17,000,000 more inhabitants than she had in 1936. So if she is to be held at a production level equal to that of 1936, the standard of living will be much lower than it was.

Mr. BARKLEY. It is a minimum production level. It shall not be less than that of 1936. I am not sure that the Senator is correct as to the number of inhabitants in the part of Germany now known as the trizonal region, namely, British, American, and French Germany. I imagine it takes into consideration displaced persons who have come from other parts of Europe. The figure given by the Senator is probably not far out of line. It is stipulated in the document which has been filed here that arrangements shall be made so that Germany may contribute to the recovery of Europe.

Mr. EASTLAND. The Government departments give out those statements. I know that whatever the Senator says is in absolute good faith, but I have talked to a former property custodian in the American zone in Germany, who was outraged because of the fact that in an area where little children were dying from diseases caused by dirt and their inability to keep clean, there was dismantling of a soap factory there in spite of the fact that not a single allied country had requested the factory or its machinery.

Mr. BARKLEY. Certainly there is more than one soap factory in Germany. We were originally told that soap factories could not be used for war purposes. As a matter of fact, we know that soap factories in Germany were being used to manufacture glycerin, which is a very important war material. I have put the report into the RECORD. Whether the figures are accurate, I do not know; but persons on the ground have made a survey, and I think every Senator will concede that General Clay is a man of integrity—

Mr. EASTLAND. But these things are below General Clay.

Mr. BARKLEY. The report states that there are many factories in Germany, more than she needs either for her own economy or for contribution to the world, whether they be war plants or not. It is claimed that some of the products of the plants cannot be sold in Germany and cannot be exported from Germany, and, therefore, such plants are suitable for reparations in payment for damage done to other nations.

Mr. BROOKS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield to the Senator from Illinois?

Mr. BROOKS. I should like to make an observation. When these agreements were made involving the level of industry to which we would allow western Germany to rise, we did not know we would be met with the need of feeding Germans in our zone. Now we are confronted with that proposition. Part of the British loan went to feed the Germans in the British zone. We are paying reparations to that extent.

We shall have to finance the French. They will use some of the money in their zone. There are millions more Germans

in Germany than there were before the war. Their breadbasket has gone. If we allow them to come back only to the level of 1936 they still cannot meet their obligation and will not get off the backs of the American people.

I desire to make one further observation. We shall make agreements, and when we try to bring about a change in policy because other nations have not done what they said they would do, that is the time to say to them, "You have not lived up to your full promises." The Senator knows, because of his visits and contacts, that we have a much greater problem in western Germany to rebuild western Germany and let the Germans feed themselves than we ever thought we would have at the end of the war. There is a shortage of manpower, and it almost indicates insanity to use that manpower to tear down plants at a time when manpower is needed in other parts of Germany in order to enable her to get off the backs of the American people.

Mr. BARKLEY. I agree with much the Senator has said. As an occupying power we did not contemplate anything comparable to the obligation we have been compelled to accept. We did not contemplate that we would have to contribute to the support of the British zone. We did not contemplate that Russia would refuse to enter into any agreement to cooperate with any of the Allied agencies. The very agreement to which I have referred was based upon the economic unity of all Germany, to which Russia agreed, but Russia has not cooperated to bring about such unity. Many things have happened which we did not contemplate. Whether the level be that of 1936 or 1938 or some other level, I think we must work toward the rehabilitation of Germany so that the German people can be self-sustaining within their own boundaries and, at the same time, make all contributions possible to the recovery of her neighbors in Europe. In that connection it should be stated that Germany never was self-sustaining, so far as food was concerned, even before the war.

Mr. BROOKS. That is correct.

Mr. BARKLEY. When all Germany was intact and Russia had none of it, Germany had to import quite a large percentage of her food in order that the German people might be fed comfortably, because Germany was essentially an industrial nation, not an agricultural nation primarily; although that part of Germany which is now in Russian hands was the breadbasket of Germany, so far as they had one was concerned.

Mr. BROOKS. Let me make one further observation. There has been a change in conditions, such a drastic change that we are asked now to approve another 4-year program. So why can we not take this program and revise it and say, "Hold it for the present." But there is always resistance when we try to change something that was done before, and if we are not careful, we are going to pile one mistake on another.

Mr. BARKLEY. It is not resistance. The Allied Nations themselves have changed their own programs, as I have indicated.

Mr. LODGE. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield to the Senator from Massachusetts.

Mr. LODGE. I think it might be of interest to make a few observations from the record on this subject, if the Senator will permit me to do so, because I think they will shed a little light on the discussion.

First, I take it we are all agreed that we are opposed to dismantling the plants in Germany and sending them to Russia.

Mr. BARKLEY. That question is not before us, because that process has ceased.

Mr. LODGE. So that we can clear the air to that extent.

Mr. WHERRY. It has not ceased completely, because the report says there are still being shipped to Russia parts of plants which it was agreed should be dismantled.

Mr. BARKLEY. That is merely carrying out what was agreed to. There are no more allocations.

Mr. LODGE. So that we can all agree that the Russian phase of this matter is not in dispute.

Now we come to the question of dismantling plants and sending them to other nations in western Europe, and I think the record shows that a very strong argument can be made for the statement that to dismantle those plants and send them to western territory is in the interest of the United States.

In connection with the remarks the Senator from Nebraska made, let me observe that the removal of those plants from Germany was taken into account in determining the amount of money which should be allocated to these various countries. On page 40 of the report the statement is made:

Certain industrial capacity scheduled for removal from Germany is required by some of the participating countries in order to reach their production targets.

Often in this discussion the argument has been made that the only nation we have to support and assist financially in Europe is Germany. The fact is that all these countries are dependent on us in varying degrees. So our interest is not simply confined to the reconstruction of Germany.

Now I wish to quote Secretary Royall, as his testimony appears on page 456 of the record.

Mr. BARKLEY. If the Senator will permit me there, what he has quoted from the report confirms my reply to the Senator from Nebraska a while ago that account should be taken of the materials we are discussing in determining how much should go to the beneficiary nations, and account has been taken of that in determining these figures.

Mr. WHERRY. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. WHERRY. A report was issued on March 3, or about that time, within the past few days, showing that an exhaustive investigation of the dismantling of the plants had been made. The report recommends what should be figured into the allocations of steel, but apparently there is a feeling that that has not

been done, and there is a suggestion that a revision be made and the dismantling be held up until it can be seen whether or not it can be figured into this program.

Mr. LODGE. Mr. President, will the Senator from Kentucky yield a moment longer?

Mr. BARKLEY. I yield.

Mr. LODGE. It certainly is my understanding that the assets which these 16 nations were to get in the form of dismantled plants from Germany were taken into account in figuring their production targets.

We have the testimony of Secretary Royall, as it appears on page 456 of the hearings, that—

These plants that are now declared excess . . . could not be placed in operation, probably, in Germany within the next 4 or 5 years. . . .

I think that is an important consideration. He said further:

As to the plants which have been marked for dismantling, that is a definite list now, and there is no element of uncertainty, unless it is changed. We feel that those plants can be dismantled and removed without any adverse effect on the present German economy, or the German economy over a 4- or 5-year period.

Then he said:

Another factor, Senator, is that Germany, its transportation, its raw materials, and its other conditions, has a limiting consideration as to its ability to manufacture.

In other words, many of these plants are of greater use in the general European economy if they are in western European countries, where they are close to the raw materials and close to transportation, than if they were in Germany.

Mr. WHERRY. Will the Senator permit a question?

Mr. LODGE. Certainly.

Mr. WHERRY. Would the Senator from Massachusetts state that there are no allocations, either in the bill or in the direct relief going to Germany, which provide for steel that will rebuild the German economy?

Mr. LODGE. No steel is to be sent to Germany, according to my understanding.

Mr. WHERRY. Not any?

Mr. LODGE. That is my understanding. I shall have to verify it, but my quick response to the Senator is that no steel at all is to go to Germany under this program.

I have one more excerpt I should like to read, from a document printed on page 504 of part 1 of the hearings, and which I commend to Senators interested in this problem, because it has in it a great number of questions on the subject of dismantled plants, and answers them in great detail. I quote this part:

Possible contribution of removed plants to German and European reconstruction: While full information is not available, it is known that a large proportion of the plants and equipment already removed from Germany are now in operation in the recipient countries, and are contributing to their reconstruction. Of particular importance has been the receipt from Germany of critical types of machines, not procurable elsewhere within less than 2 or 3 years, which have served to break industrial bottlenecks, and

have thus resulted in increases in output throughout an entire segment of industry.

French De la Haye automobiles shown in 1947, for example, were equipped with crankshafts produced with German reparation equipment, procurement of which through commercial channels would have required at least 2 years. German equipment has permitted a significant increase in output of heavy steel castings for shipbuilding in the United Kingdom, and has helped to break bottlenecks throughout the entire British steel industry.

The Netherlands Government has estimated that one group of 320 machines from Germany will result in increased industrial production during 1948 worth about \$400,000; and that optical machinery from the German Hensoldt plant, used to replace equipment looted by the Germans, will afford the basis for an increase in production of about \$100,000 during 1948. A number of similar examples could be cited.

In other words, what is taking place, in many respects, at least, is a process which is of advantage to the United States from an economic standpoint, and this does not even raise the question of the agreements which we have made on the subject of dismantling plants.

Mr. BARKLEY. Mr. President, I yield the floor at this time. I have taken more time than I had intended.

Mr. BROOKS. Mr. President, I send to the desk two amendments to be printed and lie on the table. They have to do with section 8 and section 9 of the bill.

The first amendment provides that instead of creating a roving ambassador, the bill shall provide for an agent general for the Administrator to supervise the program. Many of us have been arguing that the State Department and the military are not equipped or qualified to handle such a vast program, and to bring about the results which the American people expect the program to bring about, when it is called an economic recovery program.

We have provided for an Administrator on this side of the water. The bill provides for missions in each country, but in rank and authority they are to be under the Embassy in each country. They are to be supervised by a roving ambassador, who shall constantly be keeping them informed of his activities, and not the activities or desires of the Administrator.

In my judgment, unless we provide for a business overseer and manager, we are merely giving lip service to business management and we are fooling the American people, pretending to change our course by encouraging some constructive activity on the part of business brains, which might be helpful in restoring Europe to its feet.

Mr. LANGER obtained the floor.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. BREWSTER. Mr. President, I have today received from W. C. Hushing, chairman of the national legislative committee of the American Federation of Labor, a letter dealing with the proposed chartering of 300 American ships to foreign registry under the European recovery program presented in Senate bill 2202. He indicates that any use of the telegram of the American Federation

of Labor approving the European recovery program in Senate bill 2202 is not to be construed as indicating the Federation's sympathy with this proposal, which they opposed before the Senate Committee on Foreign Relations, and to the inclusion of which in the bill they have registered their very strong opposition. I ask unanimous consent that Mr. Hushing's letter to me, together with the telegram from William Green to the Senator from Michigan [Mr. VANDENBERG], be printed at this point in the RECORD as a part of my remarks.

There being no objection, the letter and telegram were ordered to be printed in the RECORD, as follows:

AMERICAN FEDERATION OF LABOR,  
Washington, D. C., March 8, 1948.  
Hon. OWEN BREWSTER,  
Senate Office Building,  
Washington, D. C.

MY DEAR SENATOR: This morning I called one of your secretaries and advised her that we were wholeheartedly behind your amendment to S. 2202, the European recovery bill, which eliminates from the bill, on page 16, paragraph 4, which as reported permits the leasing of 300 merchant vessels owned by the United States to beneficiary nations under the bill.

Our maritime organizations appeared before the Committee on Foreign Relations of the Senate and opposed the gift or chartering of our merchant marine vessels to beneficiary nations under the bill and were of the impression that their prayer would be granted. However, the above-mentioned paragraph, on page 16, which, in part, meets their views and the views of the American Federation of Labor, does permit the leasing of 300 merchant vessels.

On March 4, President Green sent the attached telegram to Senator VANDENBERG, chairman of the Senate Committee on Foreign Relations, and also to Chairman EATON of the House Committee on Foreign Affairs. This telegram is being improperly used by putting your amendment in the category of crippling amendments.

I, therefore, am advising you, at the suggestion of President Green, that we fully support your amendment eliminating the chartering of the 300 dry-cargo merchant vessels owned by the United States to the foreign nations beneficiary under the act, and I am furnishing you this letter so that our attitude may be fully known.

With best wishes, I am,

Sincerely yours,

W. C. HUSHING,  
Chairman, National Legislative  
Committee.

President William Green, of the American Federation of Labor, today sent the following telegram to Senator ARTHUR H. VANDENBERG, chairman of the Senate Committee on Foreign Relations, and Representative CHARLES A. EATON, chairman of the House Committee on Foreign Affairs:

"The American Federation of Labor has been a leading advocate of speedy enactment of European relief program adequate to meet the needs of reconstruction of the democratic nations of Europe. We strongly urge that separate treatment be accorded to aid to China, Greece, Turkey, and to other necessary aid abroad. European recovery program has reached present formulation after months of searching study and patient effort. There is no justification for further delay, nor must there be congressional acceptance of a cut in the amount of the program. Any reduction in the funds to be made available under the Marshall plan will impair the confidence of the free peoples of Europe in the good faith of the United States and imperil the

program itself. At this critical hour it is of paramount importance that the aid be provided in full so that the recovery of European nations may be the result of the concerted effort of the countries concerned unifying their economies in achieving recovery and reconstruction. We strongly urge the approval of S. 2202 without crippling amendments and press for simultaneous consideration of the program by the House of Representatives."

Mr. KNOWLAND. Mr. President, will the Senator from North Dakota yield to me?

Mr. LANGER. I yield.

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, because it pertains to the particular subject under discussion, an editorial entitled "Electioneering in Italy," published in the Washington (D. C.) Post of this morning. I want to call to the attention of the Senate this very able editorial published in the Post, which sets forth that the Communists in Italy are trying to make the point that even though they may win the elections in April, they will still continue to receive aid from us. I think if they are working under any such misconception they should change it now, because I feel reasonably well satisfied that if the Government of Italy becomes communistic in the elections of April, the Administrator will have a clear obligation to cut off aid to that country.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### ELECTIONEERING IN ITALY

It is the tactics of counteraction to Soviet aggression that will count in the great west-Russian grapple. And tactics involve priorities—priorities which should be determined by the limitations of American resources, the significance of menaced situations, and the time table. Use of influence in the right place at the right time is axiomatic. Looking over the world today, this newspaper feels that Italy, key to the Mediterranean, is the live front in the cold war. Italy is locked in an electoral struggle, and international communism is concentrating upon it. All reports that come to this office conclude on the grim note that the communized popular front, after having been on the defensive till a couple of months ago, may triumph when the Italians go to the polls on April 18. The De Gasperi government has not been able to match the aggressiveness that Communist leader Togliatti, backed by Moscow, has imparted into his campaign.

Time must be taken out of the present preoccupation with our own election to cope with the threat to the free world in Italy. April comes before November, and what happens in Italy in April is of the highest consequence to all fighters for liberty, particularly Americans. Without a doubt the consequences of a Togliatti victory in Italy would be reflected in our nominations and in our own election. How could it be otherwise? A Togliatti victory would mean that the Italians by their own volition had dragged the iron curtain to the west and opened their country to Moscow's rule. The implications of any such revolution should be well pondered. Not only would the Mediterranean be severed; the map of Europe would be changed. And in present circumstances this would mean a dagger into the heart of Marshall Europe while it is aborning.

This country simply cannot afford to lose Italy. Nor can Italy afford to lose America. But it will be too late to do anything about

a Communist victory after the event. To be sure, such a victory in present circumstances would be a demonstration of what Professor Namier calls Caesarian democracy. But that explanation would not justify action in the eyes of the American people. There would be no disposition to come to the aid of a people who had simply exchanged black for red slavery. This, it seems to us, should be made known to the Italian people. It should be a contribution to the electioneering that this country should embark upon in Italy—to let them know exactly where we stand, so that no illusions are entertained by the voting population.

Of course, there is need also to show Italy that our policy is still sympathetic with Italy's desire to return to the family of nations with self-respect. This newspaper opposed the ratification of the peace treaty with Italy both because of the changed world situation and because certain clauses were, in our opinion, unjust. The administration chose the path of ratification. At the same time enough evidence of good will has been shown in the amelioration of the treaty provisions. Italy's case for admission to the United Nations has been pressed over Soviet opposition. Italy's colonial aspirations have had sympathetic attention. These matters, along with the unsettled question of Trieste, should be reviewed for the Italian people, and reopened in the Security Council. Congress and the Latin-American nations could help by some action to relieve the pressure of population caused by the piling up of unused quotas. But, over and above all, there must be left with the Italian people the plain reminder that a Soviet-dictated vote against the Marshall plan—which would be what a vote for Togliatti would amount to—would mean a sacrifice of the benefits of the Marshall plan. For Togliatti's apparent headway seems to be due not only to his new patriotic pose but also to his assurances that the Italian people would get the same aid from America no matter how they voted.

Mr. MYERS. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MYERS. Mr. President. I recently received a communication signed by Mr. William L. Batt, chairman of the Philadelphia Committee for the Marshall Plan To Aid European Recovery. To that plan was attached a resolution, which was adopted by the committee, and I ask unanimous consent that the resolution may be printed at this point in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

The Philadelphia Committee for the Marshall Plan To Aid European Recovery recognizes in the world situation today that a special responsibility is imposed on all Americans because: (1) Democratic peoples on every hand now look to us for help in their preservation; and (2) the economic collapse which confronts the world will, if it occurs, have a serious and far-reaching effect on us; and recommends, therefore, that the Congress support a program based upon:

(1) Acceptance by Europe of responsibility to initiate self-help in a sustained and co-operative manner, including resolute efforts to seek difficult but attainable goals, both in industrial and in agricultural production as well as sound currencies—goals which, if attained, will constitute true recovery;

(2) Continued comprehensive and realistic analyses of European needs and American resources;

(3) Prompt and adequate provision of enough goods and credits to make up as far as possible the remaining European deficit;

and further recommends to the American people the wholehearted acceptance of the program which Congress deems appropriate so that Europe may be inspired to face its difficult task in the confident expectation of a sympathetic and understanding America.

Mr. LANGER. Mr. President, in view of the statement made by the distinguished Senator from Massachusetts [Mr. LODGE] that there is no steel provided for in the bill, I will say that I have here a confidential report from the Federal Power Commission, which I shall make available to him, which shows exactly how much steel, cast iron, cement, lime, gypsum products, tile, roofing, steel plates, earthenware, piping, sanitary fittings, valves, steel bars, and so forth, are going to be used in Germany alone along administrative lines. It also shows the quantity of iron and steel bars, copper, lead, aluminum, tin, zinc, German silver, mercury, silver, chromium, tungsten, and other metals which are going to be used over there. I shall make the report available to the Senator from Massachusetts now, because I cannot put it into the RECORD in view of the fact that the report is confidential. I shall gladly hand it to the Senator so he may look at it.

Mr. LODGE. Can the Senator state what is in it? The Senator from Massachusetts does not want to be in receipt of anything that is top secret.

Mr. LANGER. I should be glad to do so, but the report is marked "confidential." It has been sent to me in confidence by the Federal Power Commission.

Mr. LODGE. Does it refer to the Marshall plan or some other plan?

Mr. LANGER. It specifically says it refers to the Marshall plan.

Mr. LODGE. With all due respect to the Federal Power Commission I do not think they know as much about what is going to be sent to Germany under the Marshall plan as does the State Department. We must accept the word of the responsible authorities that no steel is going to Germany under the Marshall plan.

Let me say to my friend from North Dakota that it is true that agricultural machinery, mining machinery, and some trucks, and some freight cars, are contemplated to be sent to Germany, but it is not contemplated that any finished iron and steel, crude and semifinished pig iron, scrap iron, iron ore will be sent. I can assure the Senator of that, and the authority from which I obtained the information is the State Department. I think their word must be accepted as much more authoritative than that of the Federal Power Commission on a matter of this kind.

Mr. LANGER. I might say to my distinguished friend from Massachusetts that not only do they say how much they are going to send but where they are going to send it.

Mr. LODGE. Then it must be a pipe dream, because nobody knows that.

Mr. MALONE. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. MALONE. I may say to my colleague from North Dakota that the reports all show that the production of steel in Germany this year will be below that of last year. Last year it was un-

der 4,000,000 tons. It has been cut to less than 4,000,000 tons and held there, presumably under the Morgenthau plan, from about 24,000,000 tons annually prior to the war. Of course a considerable part of the 24,000,000 tons was war production—perhaps not over ten or twelve million tons however. Now it would be very easy to produce an additional six or eight million tons of steel in Germany. Those plants were examined by experts. I myself saw some of them which were not injured materially. Some of them could be put back into production merely by sweeping out the plants and starting the men working. It is estimated that within 6 or 8 months an additional 7,000,000 or 8,000,000 tons annually could be produced, putting the total production up to 10,000,000 or 11,000,000 tons, which would make unnecessary the major part of our annual shipment of steel to Germany. It is a terrible thing to hold those plants idle and ship our own steel to Germany, crowding our own steel producers into creating additional steel production, which requires from 2 to 3 years and a vast amount of steel for such increased production which will probably be unnecessary in the future, and rendered idle at some early future date after the pressing demands had been met. By keeping our own steel at home the spot shortage of oil can be overcome within a very reasonable time and also furnish the necessary steel for building construction.

Harking back to the debate about 10 or 15 minutes ago, when my distinguished colleague from Massachusetts [Mr. LODGE] stated that the plants that were being dismantled were not necessary, let me mention one particular plant. This is one incident, which could be multiplied many times. I was in a coal mine, 2,000 feet below the surface of the earth, and about a mile and a quarter back from the face, at a 3-foot vein. It was a wet mine and I was lying there in the water discussing the plan of operation with the miners and the shift boss. They were setting up a new coal cutter. There were steel shaker conveyors delivering the coal to the web conveyors on the 5-percent dip of the vein and then by the web conveyors to the automatic loaders. There was a string of 35 3½-ton steel cars moving up automatically and everything working efficiently and well. I said, "This looks fine. Why do you not have more coal cutters?" The shifter replied, "We would like to get more coal cutters, but the only factory in Germany which makes these cutters is on the reparations list."

So I would remind my distinguished colleagues that it is not merely a question of the plants themselves, and the amount of production; but that they produce things which other plants need for repairs and replacement; and when we remove those plants we may put many other plants out of business because they are unable to get repairs and replacements unless and until such plant machinery can be replaced by American-made equipment and then spare parts and replacements can be supplied from this country, but it is a long, slow, expensive process, little understood ex-

cept by men experienced in the particular business of coal mining.

Mr. LANGER. Mr. President, in connection with what was said by the senior Senator from Kentucky relative to the dismantling of plants, I invite the attention of the Senate to a report by Christopher Emmet and Fritz Baade, which has a foreword by former President Hoover. I read from Mr. Hoover's foreword:

At a time when the world is crying, and even dying, from lack of industrial production, we apparently pursue the policy of destruction of the gigantic productive equipment in the western zones of Germany. It means less essential goods to all Europe, greater delay in recovery of the world, and larger drains on the American taxpayer. I can only repeat a statement in my report of 10 months ago. "The removal and destruction of plants (except arms plants) should stop. \* \* \* We can keep Germany in economic chains, but it will also keep Europe in rags." And, I would add, it will keep food scarcity and high taxes in America as we vainly spend a billion a year to keep alive these millions of idle Germans.

The foreword, dated December 27, 1947, is signed by Herbert Hoover. He refers back to a report which he made 10 months before that, which would be in the month of October 1946.

What I am interested in, Mr. President, is what our Foreign Relations Committee of the Senate has been doing. I intend this afternoon and tomorrow, time and time again, to try to find out what this committee of the Senate has or has not done in behalf of the American people. Let the chips fall where they may. If we have a bipartisan policy, if the Republicans and the Democrats are together, I want to know whether the bipartisan policy is for the American people or against the American people.

I invite attention to page 8 of the report to which I have referred. I read:

A list for the American zone, merely giving the names of the firms and the products in which the reparations agency is interested, but not indicating all the products or the number of workers employed in each plant, was finally issued in Washington in mid-November 1947. But even then Senators and Congressmen who were directly concerned with aid to Europe were unable to get the list in the British and French zones.

Even Senators and Representatives who were directly concerned with aid to Europe were unable to get the list in the British and French zones. The Department would not even give us a list of the men in England who were working in the British-occupied zone. Our Senators could not get it. Our Representatives could not get it. That situation is analogous to other situations in which we have been unable to get information.

Only this afternoon the distinguished Senator from Kentucky said that only a few agreements were involved. I invite the attention of the Senate to the speech which I made on this floor just 4 days ago. I wish to read again what I said, because when I said there were 20,000 agreements the Senator from Ken-

tucky threw up his hands and said that there was nothing to it. I quote from page 2102 of the RECORD:

I repeat, Mr. President, we must take a reading of our foreign commitments made during and since the war. I have read with a great deal of interest the statements by James A. Farley in which he claims that part of the world's ills are a result of the negotiations made by Mr. Roosevelt when he was in ill health. Again, we must inspect these commitments. We must know what they say. We must know what they are doing to us. The documents, some 20,000 in number, include companion papers and contain the answers to the Canol project, oil in the Middle East, the rehabilitation of the Dutch East Indies, civil affairs functions in occupied areas, the disposition of territories owned by Hitler satellites, and the currency for occupation troops, about which much has been said.

I repeat that the documents number 20,000, and I am prepared to show it. I wrote a letter to the Secretary of National Defense and received a reply this morning to the effect that he could not produce them, that I would have to get them from the President of the United States or the Prime Minister of Great Britain. I have this letter before me.

I continue to read:

They will reveal the entire strategical concept of both the war in the Atlantic and the Pacific and all directives to General Eisenhower, General MacArthur, and Admiral Nimitz.

If they are produced, they will number 20,000. Why are not the specific ones for which I have asked produced? I have asked for them by number. I have described them in my requests. Why are they not produced?

Let me go back for a moment to the question of dismantling of plants. That subject is dealt with in the report from which I have read under the heading, "How Dismantling Contributes to Shortages and Inflation in America." The title of the report is "Destruction at Our Expense. How dismantling factories in Germany helps inflation in the United States and sabotages the Marshall plan." I call attention to the fact that nearly a year ago the Senator from New Hampshire [Mr. BRIDGES] and the Senator from Mississippi [Mr. EASTLAND] submitted a resolution endeavoring to stop the dismantling of plants in Germany, and they got exactly nowhere. We were promised at that time by the chairman of the Foreign Relations Committee that no more plants would be shipped out of the United States zone into Russia, and that the good offices of the United States Government would be used so that no more plants would be shipped out of the British or French zones of occupation to Russia. All I can say is that such operations have continued, as every Senator knows.

More food is vital but men do not live by bread alone. They must have hope. And if the dismantling program does not make sense to so many experts in Britain and America, it is hardly surprising that it is opposed by German workers, who are asked to continue the process of destruction amid the ruins which surround them, in many cases destroying the source of their own jobs.

Mr. President, I quote now from page 7:

Unfortunately, the State Department's pledge only applies to plants from the American zone, one-fifth of those involved. A British Foreign Office spokesman has announced that they plan to continue shipping dismantled plants to Russia regardless of what America does.

Mr. President, I wish to repeat that statement. It appears in the report which has a foreword by former President Herbert Hoover:

Unfortunately, the State Department's pledge only applies to plants from the American zone, one-fifth of those involved. A British Foreign Office spokesman has announced that they plan to continue shipping dismantled plants to Russia regardless of what America does. However, Senator VANDENBERG reported that the State Department is making representations to the British about this and, in view of the Marshall plan, there is no doubt of the United States Government's power to end or reduce dismantling in all the western zones if it really wants to. But meanwhile the program continues.

Mr. President, Herbert Hoover is quite a statesman. Sometimes I wonder whether he is not a better statesman than any Senator upon this floor.

I continue to read from page 7:

Such is the present position and such are the general arguments. It is not merely the shipment of plants to Russia but shipping them anywhere which is in dispute. Enough has been said to indicate that there is no moral obligation on the United States to continue or to tolerate dismantling, at all, if we consider it against the interests of the Marshall plan. We have the right and the power to end it—regardless of past agreements which have been superseded.

Mr. President, just as the distinguished Senator from Nebraska has said, "Why has it not been ended a long, long time ago?"

I read further:

The question should be decided by the American Government and the American people strictly on its economic merits, and only a detailed analysis of the actual plants involved can enable the United States Congress or the general public to form an intelligent opinion about those merits.

Listen to this, Mr. President:

The capital value of these factories is estimated at approximately a billion dollars and even in these times, wherever Government action involving an investment of a billion dollars is concerned, the United States Congress should be given full details—

But we do not have them. Yet they ask us to go ahead and give them \$5,300,000,000 more, when we have absolutely nothing in the way of information as to what they have done or what they propose to do—

including a list of the products of each factory, figures on the amount of production and labor employed, as well as an estimate of the repercussions of these transfers on domestic and foreign markets. Yet in this case, where not an investment but the largest devestment in history is planned, even the list of the factories concerned was not until recently available to the man who pays the bill, the American taxpayer. A list for the American zone, merely given the names of the firms and the products in which the reparations agency is interested, but not

indicating all the products nor the number of workers employed in each plant, was finally issued in Washington in mid-November 1947. But even then Senators and Congressman who were directly concerned with aid to Europe were unable to get the list in the British and French zones. Now, at last, the British list has also been published, thanks to the House Foreign Affairs Committee—

Not to the Senate Foreign Relations Committee, Mr. President, but to the House Foreign Affairs Committee of this Congress—

so that we can begin to analyze the whole dismantling program as it will affect European reconstruction and the American economy.

There are three territories involved, the United States, the United Kingdom, and the French zones of Germany, and factories earmarked for dismantling are classified either as "war plants" or "surplus" industrial plants. The term "war" plant needs some explanation.

Mr. President, I ask unanimous consent to have this entire pamphlet printed at this point in the RECORD, because of its great importance relative to the matter now under discussion. I also ask that the foreword by former President Herbert Hoover be printed.

There being no objection, the pamphlet was ordered to be printed in the RECORD, as follows:

**DESTRUCTION AT OUR EXPENSE—HOW DISMANTLING FACTORIES IN GERMANY HELPS INFLATION IN THE UNITED STATES AND SABOTAGES THE MARSHALL PLAN**

(By Christopher Emmet and Fritz Baade)

**FOREWORD**

"At a time when the world is crying, and even dying, from lack of industrial production we apparently pursue the policy of destruction of the gigantic productive equipment in the western zones of Germany. It means less essential goods to all Europe, greater delay in recovery of the world and larger drains on the American taxpayer. I can only repeat a statement in my report of 10 months ago: 'The removal and destruction of plants (except arms plants) should stop . . . we can keep Germany in economic chains but it will also keep Europe in rags.' And, I would add, it will keep food scarcity and high taxes in America as we vainly spend a billion a year to keep alive these millions of idle Germans.

"HERBERT HOOVER.

"DECEMBER 27, 1947."

**I**

On October 16 the United States and British occupation authorities in Germany announced a new plan for dismantling 682 plants in the American and British zones for reparations delivery. Later 236 plants in the French zone were added to make a total of 918.

In addition to arousing wide protests among labor unions and other democratic groups in Germany, this announcement has inspired a growing debate in both Britain and America, a controversy which has increased with the break-down of the London Conference. There is no criticism of the dismantling of nonconvertible war plants but there is strong opposition to removing facilities available for peaceful production, including the nearly 600 factories involved which are not even listed as war plants.

Criticism has focused on two main points: First, that many of the plants have been allocated for shipment to the Soviet zone of Europe and, second, that in all three zones in Germany from which the factories are to be removed, there is at present a huge economic deficit which is being met, directly or indi-

rectly, by the American taxpayer. This takes place either through appropriations for occupation costs, which now also cover the British zone, or through appropriations for France under the emergency relief program.

The dismantling program has been defended by Under Secretary of State Robert A. Lovett, who emphasized that these plants were either established in connection with the German war machine or determined by the United States and United Kingdom authorities to be unnecessary for the German peacetime economy. On December 16, Gen. Lucius Clay said in Berlin that the factories on the dismantling list were surplus because the German production goals under our new level-of-industry plan could be achieved without them. He added:

"For the next 3 or 4 years there is no prospect that enough raw material, electric power or coal will be available in Germany to make these factories run. However, since the plants are being transferred to countries which can put them to work in the next few years, they will make a contribution to the general recovery of Europe."

On December 7, 1947, the New York Times magazine printed an article by Alfred Z. Carr, a member of the Inter-Allied Reparations Agency in Brussels, of which Russia is a member, which explained the history of Allied agreements in regard to dismantling. Mr. Carr defended these agreements, stressed the utility of the plants to our Western Allies, claimed that the Germans lacked skilled labor and raw materials to run many of them, and argued that they would be more useful to European production if dismantled.

On the other hand, all these arguments have been disputed by outstanding American economists and political leaders, including the Hoover mission and most of the Senators and Representatives who visited Europe to study aid for reconstruction. They contend that Germany is now the danger point of western Europe and that German production lags far behind that of other western nations, with an estimated German production in the western zones of 35 percent of 1938, while that of France before the recent strikes was close to 100 percent of 1938. The same thing is also true of Britain in recent weeks, as well as Belgium and Holland. The appalling overcrowding of western Germany, with nearly 10,000,000 refugees expelled by Russia and her satellites in the East, makes the German production lag all the more disastrous. Therefore, it is not a question of giving Germany priority over our Allies but of curing the economic plague spot of Europe.

The critics point out that while it is true that many of the plants scheduled for dismantling are not working to full capacity now, due to lack of raw materials, electric power, transportation or skilled labor, in many cases the same difficulties would apply if they were moved, not to speak of other complications.

Obviously, it is usually easier to get a plant back into production where it was originally built for profit than to go through the costly, prolonged and hazardous process of moving it. Many of the plants on the list are already producing on a reduced scale. The burden of proof is on those who would move them, especially as experience shows that the average plant loses 50 percent of its productive value when removed, while in some cases the loss is as high as 85 percent. The sales record of the United States War Assets Administration confirms this. It is not just a question of damage and deterioration in the plant but of the dislocation of markets, the reallocation of raw materials and transport facilities, the securing of adequate housing and skilled labor, and other factors involved in shipping the plant from one industrial complex to another.<sup>1</sup>

<sup>1</sup> See note at end of article.

Critics also emphasize the waste of the limited supply of skilled labor and already overburdened transport facilities in the non-productive process of dismantling, moving, and reassembling these plants, a process which would continue throughout the next two or three critical years in Europe's battle of production.

The discouraging effect of the dismantlings on German labor and on other democratic elements, on which we must rely to build democracy and resist communism in Germany, is also emphasized. Lewis H. Brown in his report to General Clay underlined the importance of increasing incentives to German workers to overcome apathy and defeatism. More food is vital, but men do not live by bread alone. They must have hope. And if the dismantling program does not make sense to so many experts in Britain and America, it is hardly surprising that it is opposed by German workers, who are asked to continue the process of destruction amid the ruins which surround them, in many cases destroying the source of their own jobs.

As for allied agreements, the opponents of dismantling point out that the whole reparations program of which dismantling is a part was conditioned upon the economic unification of Germany. When Russia violated that pledge all the reparations agreements became subject to reexamination, including those with our western allies which were based on the over-all agreement. As long as we must meet the cost of the huge German deficit, not only in our zone but in the British and French zones (through the new Anglo-American agreement and through our emergency aid to France), it is the United States which will pay for any reparations taken out of western Germany. This is what the New York Times had in mind when it closed its editorial on November 13 with the words:

"Let the plants stand and get to work. America has more than paid for them."

It is natural that some of the allied nations which had suffered at German hands originally put in claims for plants even if they could only hope to salvage a small part of their value, especially as Russia would have demanded them if the western allies had not. But the situation is completely changed now that America has proposed a plan for over-all aid. It will be hard enough for the European recovery program to succeed, and hard enough to persuade the American Congress to appropriate the money, without wasting a single factory. The United States is in the best position to take the long-range view of where these plants can be of most use to the production of western Europe as a whole. Yet the dismantling lists in the French and British zones were originally selected by British and French officials, although America will foot the bill for any mistakes involved.

It is not as though we were asking our western allies to abandon their reparations claims forever, but only for as long as Germany's poverty is a danger to Europe and a burden to the United States. By taking less now our allies may get more later.

The desire to remove more German industry now as a means of preventing future German aggression may be natural but it is unwise and unnecessary. For the period of the present crisis, and for as long as the Allies occupy western Germany, it is utterly irrelevant. As for the future, there are other and better ways of preventing aggression, such as disarmament and disarmament inspection; treaties to provide joint action against future aggression from Germany or elsewhere; the building of a democratic Germany, and, above all, the building of a real international organization with its own police force.

As the third Hoover report says: "Almost every industry on earth is a 'war potential' in modern war. No industry (except direct arms manufacture) is a war potential if the

energies of a people are confined to the paths of peace." The present inability of German industry to support the overcrowded areas of western Germany on a bearable standard of living is the greatest danger to peace and democracy, the surest way to promote Communist or Nazi aggression.

There are encouraging signs that a reexamination of the dismantling program will find influential support within the countries of our western allies themselves. In January 1947 the Dutch Government stated: "It is inadvisable to lay down maximum quotas for German industries, including the iron and steel industries." On November 26, 1947, a joint statement by the Governments of Holland, Belgium, and Luxemburg, which are joined in a customs union called Benelux, also indicates doubt about dismantling on the present scale.

The former British Cabinet Minister in charge of occupied Germany, John Hynd, Member of Parliament, made a long and moving speech against dismantling anything but real war plants in the House of Commons debate on October 27. He declared that German recovery is being wrecked by the removal of necessary productive facilities, such as farm machinery, tractors, mining machinery, railroad locomotives, and soap, without any corresponding benefit to the countries which are to receive these factories as reparations. After 4 or 5 years, he said, they would get rusted machinery whereas it would be easier to build new factories.

He expressed grave doubt that the proposed new level of industry for Germany, including the planned total of steel production, could be attained under the dismantling program. His speech was supported by leading conservatives, including former members of the coalition cabinet, and by liberal and labor members as well. This debate occurred before the failure of the London conference on German unity, so that the British Government's refusal to modify its policy may not be final.

It was the force of similar arguments and expert testimony which led Congress to pass unanimously the Case resolution at the close of the emergency session, a resolution which voices some of the above doubts about dismantling and calls upon the War Department to supply Congress with detailed answers to a long series of searching questions.

An even stronger resolution was introduced in the Senate by Senators BRIDGES and EASTLAND. The Senate Appropriations Committee, led by Senator BRIDGES, also attached an amendment to the emergency appropriation for our occupation forces, specifying that none of the money should be used in the dismantling process. This amendment was only withdrawn after Senator VANDENBERG reported a pledge by the State Department that there will be no shipment of dismantled plants from the United States zone to Russia, and gave the personal assurance that the Foreign Relations Committee of the Senate would "ruthlessly explore" the whole question of dismantling when Congress reassembles.

Unfortunately, the State Department's pledge only applies to plants from the American zone, one-fifth of those involved. A British Foreign Office spokesman has announced that they plan to continue shipping dismantled plants to Russia regardless of what America does. However, Senator VANDENBERG reported that the State Department is making representations to the British about this and, in view of the Marshall plan, there is no doubt of the United States Government's power to end or reduce dismantling in all the western zones if it really wants to. But meanwhile the program continues.

## II

Such is the present position and such are the general arguments. It is not merely the shipment of plants to Russia but shipping

them anywhere which is in dispute. Enough has been said to indicate that there is no moral obligation on the United States to continue or to tolerate dismantling at all, if we consider it against the interests of the Marshall plan. We have the right and the power to end it—regardless of past agreements which have been superseded. The question should be decided by the American Government and the American people strictly on its economic merits, and only a detailed analysis of the actual plants involved can enable the United States Congress or the general public to form an intelligent opinion about those merits.

The capital value of these factories is estimated at approximately a billion dollars and even in these times, wherever Government action involving an investment of a billion dollars is concerned, the United States Congress should be given full details—including a list of the products of each factory, figures on the amount of production and labor employed, as well as an estimate of the repercussions of these transfers on domestic and foreign markets. Yet in this case, where not an investment but the largest divestment in history is planned, even the list of the factories concerned was not until recently available to the man who pays the bill—the American taxpayer.

A list for the American zone, merely giving the names of the firms and the products in which the reparations agency is interested, but not indicating all the products nor the number of workers employed in each plant, was finally issued in Washington in mid-November 1947. But even then Senators and Congressmen who were directly concerned with aid to Europe were unable to get the list in the British and French zones. Now at last the British list has also been published, thanks to the House Foreign Affairs Committee, so that we can begin to analyze the whole dismantling program as it will affect European reconstruction and the American economy.

There are three territories involved, the United States, the United Kingdom, and the French Zones of Germany, and factories earmarked for dismantling are classified either as "war plants" or "surplus" industrial plants. The term "war" plant needs some explanation. It does not mean that these plants could not be converted to peacetime production, for even plants already successfully converted are listed as "war plants," at least in the British zone. An example is the Holmag-Werke of Kiel. This former war plant was converted to produce diesel engines for fishing boats, and had received many foreign orders at the Hanover Export Fair. The unanimous protests of the Government of Schleswig-Holstein as well as of the population and the workers seem to have saved part of this plant. Nevertheless, it is still on the dismantling list (No. 425), classed as a "war" plant, and there are many other less publicized cases of a similar nature.

The following table sums up the division of "war" plants and "surplus" industrial plants in the three zones:

	United States zone	British zone	French zone
Total number.....	186	496	236
War plants.....	104	198	36
Surplus plants.....	82	298	200

This table proves that only in the United States zone a majority of the plants earmarked for dismantling are listed as war plants and only a minority as surplus industrial plants.

The ratio is the opposite in the British zone where only two-fifths of the plants are classed as war plants and nearly three-fifths as surplus industrial plants. In the State of

North Rhine-Westphalia (identical with the Ruhr), of the 294 plants to be dismantled only 43 are officially classified as primarily concerned with armaments. In the French zone only a total of 36 plants are marked as war plants; the bulk of the list, 200 plants, are dubbed surplus.

The yardstick for surplus industrial plant is the new level-of-industry plan that provides for an industrial capacity in the western zones equal to that of 1936, which is supposed to be sufficient to support the present German population. Unfortunately, the fine statistical job done in figuring out this level-of-industry contains a tremendous economic error, so common amongst all purely statistical investigations. The calculation is based on a wrong assumption concerning the economic problem involved. It considers a static economy which is a fiction and ignores the dynamics of actual economic life. The industrial capacity of 1936 reflected a going economy with all factories in full production, no scarcities of essential raw materials and skilled labor, no war damages, no housing problems, etc. Today, western Germany is wrecked by the impact of war and postwar developments and is still in the initial phase of reconstructing its basic production capacity. Everybody will agree that it would be more than foolish to remove from a burning house the statistical surplus of fire extinguishers—but that is exactly what the dismantling of surplus plants amounts to with regard to the German economy today.

A detailed analysis of the factories earmarked for dismantling reveals astonishing facts with regard to the European-recovery program. Certain groups of these factories obviously deserve top priority in any European-reconstruction program since they produce top-scarcity goods. The Herter committee, in its preliminary report of November 13, 1947, pointed out that steel in general, especially rolled- and drawn-steel products like sheet, tin, strip, and—with a high priority—pipe for oil and gas transmission, is extremely scarce throughout Europe. This report shows that fulfillment of the urgent needs of the 16 nations participating in the Paris Conference, would mean "raising the minimum steel deficit in the United States from 1,600,000 to 5,000,000 net tons—a staggering deficit to impose on the consumers of steel in the United States."

The Herter committee further reports that: "Potential United States supplies of sheet, strip, and tin plate promise to remain inadequate to meet domestic demand through 1948. \* \* \* The demand for large-diameter electric welded and seamless pipe for domestic oil and gas transmission lines is currently in excess of American mill capacity and promises to continue so through 1951. In addition, there is a large export demand for such material, part of which will be necessary to enable middle-eastern sources to provide Europe with critically needed tonnage of petroleum products."

In view of these critical shortages the Herter committee recommends:

(a) Added production of German ingot steel.

(b) Some diversion of European semi-finished steel from presently planned use to increased sheet production in idle or underutilized German sheet or strip mills.

(c) Suspension of all plans to dismantle or otherwise render inoperable such units until it is known that they will be unable to relieve the pinch in sheet and strip.

(d) Stoppage of any reduction in German capacity for pipe production and instead supplying adequate amounts of large tube rounds and wide plates for the pipe mills proper.

Therefore, following the recommendations of the Herter committee, three groups of plants in Germany must be regarded as vital from a European point of view: steel production plants, steel rolling mills, and pipe producing or assembling plants. To these three

vital groups we should add others. Due to the transportation bottleneck in western Europe, priority must be given to all factories producing transportation equipment, such as accessories for railroad cars, locomotives, trucks and road-building machinery. Even higher priority should be given to all factories producing mining equipment, especially for coal mines.

In the interest of the American taxpayer, who covers the deficit of western Germany, we must add yet another group of industries: all plants producing goods exportable against hard currency, or against vitally needed foodstuffs and raw materials. Factories producing machinery, spare parts, accessories, industrial equipment, cutlery, small dies, and tools are savers of United States dollars.

Now, let us see, how many factories of these vital groups are included in the list of surplus industrial plants to be dismantled. The result of such an analysis is very discouraging.

*Vital "surplus" plants in the bizon e earmarked for dismantling*

	United States zone	British zone
1. Steel-producing plants.....	5	49
2. Steel-rolling mills.....		31
3. Pipe-producing or assembling plants.....		53
4. Road-building machinery plants.....		14
5. Mining-equipment plants.....		47
6. Plants producing exportable goods.....	49	90
Total.....	54	284

However, this very instructive table tells only a part of the whole story, as it refers only to the quantity, but not the quality of the plants concerned. Quite naturally only outstanding factories are picked for dismantling.

Among the 31 steel rolling mills slated for dismantling in the British zone we meet a parade of western Europe's foremost plants in this field. Thirteen of them are complete rolling mills with the most up-to-date equipment; 18 are parts of big steel plants, both steel-producing and steel-rolling mills. According to reports from German papers, the doomed rolling mills represent 55 percent of the total capacity for strip and tin plate and as much as 65 percent of the capacity for medium and heavier sheet. There can be no doubt that the dismantling of these factories will defeat the constructive proposals of the Herter committee to "increase sheet production in idle or underutilized German sheet or strip mills." It will therefore create an unnecessarily inflationary impact of the Marshall plan on the American economy by aggravating and prolonging our scarcity of steel products.

One of the doomed mills (No. 88: Bochumer Verein für Gusstahlfabrikation) is described in the dismantling list as especially equipped for the production of railroad wheel rims. This seems to be the same plant mentioned by the distinguished British writer, H. N. Brailsford, in the New Statesman and Nation of October 25, 1947, as "one big firm due to be dismantled, which is so vital for the repair and construction of rolling stock that it had been given top priority for coal and electric current in the worst days of the present crisis."

Among the doomed pipe-producing plants are some of the most modern and most efficient units in Europe, i. e., four large units of "Mannesmann" in Gelsenkirchen, Duisberg, Düsseldorf and Witten. As to No. BS 68 (Mannesmann-Werke in Duisberg), BS 93 Deutsche Rohrenwerke in Mülheim-Ruhr and BS 110 (Press and Walzwerke Düsseldorf-Reisholz) the official dismantling list points out that these plants are especially equipped for the welding of large

diameter pipe. This type of plant is given top priority by the Herter committee as essential to alleviate the delivery shortage of oil and gas in the United States, as well as to provide Europe with critically needed oil products from the Middle East.

Of one factory, No. BS 86, the dismantling list itself admits that it is equipped with 22 gas-welding machines for the fabrication of special piping. No less than 33 plants are officially listed as producers of boilers, tank work, and pipe lines. According to reports from German papers, the pipe-producing plants earmarked for dismantling represent 46 percent of the total capacity of this industry in the western zones and even near to 100 percent of the capacity for large diameter pipe. Since the plants with the most modern equipment are on the dismantling list, there is no doubt that the cream of this industry in Germany—and that means an important section of this industry in western Europe—will be doomed if the dismantling is not prevented.

The scarce data in the dismantling list only permits classifying 47 plants as producers of mining equipment. But in his article, Mr. Brailsford tells the human story:

"On Saturday at the office of the T.U.C. for the western zone in Düsseldorf its wise old chairman, Hans Bockler, who wins everyone at a first contact, was explaining to me how closely interwoven are the industries of the Ruhr: 'You can't decimate the machine-tool and heavy-machine industries without threatening others on which our life depends.' At that moment his words came to life with the entry into the room of the miners' leader, August Schmidt, who took from his pocket a typed list of no fewer than 97 firms marked down for dismantling, which supply machines of one sort or another to the Ruhr mines. These ranged from winding gear, pumping machinery, and conveyor belts to the latest cutting devices. The mines, he said bluntly, could not carry on without some of these doomed firms—more especially 'Demag' of Duisburg."

Thus our figure of 47 mining-equipment producers on the dismantling list (see foregoing table) proves to be very conservative including only the chief producers of such equipment. Among these chief producers are no less than three factories of the "Demag": one for mining equipment; one for compressed air engines, pumps, compressors, and conveyor belts; and the third for general equipment. Another factory in this group is officially listed as a producer of equipment for coal mines. The two plants BS 240 (P. Pleiger, Hammertal-Nord) and BS 250 (Rotelmann & Co., Werdohl) are indispensable suppliers of accessories for pneumatic mining tools, representing not less than 90 percent of the total production of these small but vital parts. The plant No. BS 185 (Gewerkschaft Eisenhütte Westphalia) holds another key position in coal mining equipment for the Ruhr, since this firm specializes in the production of complicated conveyors for steep seams, found very often in Ruhr mines.

The list of 14 producers of road-building machinery is also very instructive. As the Manchester Guardian pointed out, the detailed decisions concerning the dismantling list were made by lower officials of the military government who cannot be expected to have a full understanding of the extraordinarily complicated mechanism of German production. The case of plant No. BS 253 (Ruthemeyer-Sost) seems to confirm the statement of the British paper. This firm is an outstanding and important producer of road-building machinery. When Germany was an economic unit, 40 percent of the whole production of road rollers was located east of the Oder-Neisse line. Another 25 percent of the production was in what is now the Russian zone and these plants (Orenstein & Koppel and Schwartzkopf) have already been dismantled by the Russians. Of

prewar production 17 percent was in the present French occupied zone but this plant was severely damaged. Therefore the plant Ruthemeyer-Sost is practically the only supplier of the bizon e for road rollers, with a share of 100 percent in the production of steam rollers and 80 percent of motor rollers.

The transportation bottleneck in western Europe is well known but even in the United States we are facing a serious shortage of road-building equipment. In the New York Times of December 5, 1947, a report by Bert Pierce, from Washington, says:

"Lack of road-building equipment, due chiefly to the prevailing shortage of steel and potential demands for this type of machinery by the Marshall plan, will reduce the scope of 1948 highway construction in this country by at least 30 percent when highways are sorely needed, Charles M. Upham, engineer-director of the American Road Builders Association, said today."

There is no need for further comment about this kind of aid for the Marshall plan. Yet in answering Senator Styles Bridges' criticism of the dismantling, an official of the military government in Berlin stated bluntly:

"The dismantling and reparations program will proceed on schedule since the decision represents the culmination of years of careful planning and statistical work."

So much for the dismantling program in the bizon e. For the French zone the published dismantling list published in German papers does not permit the classification of the surplus industries in the subdivisions set forth in the above table. The 200 surplus plants (against only 36 war plants), however, can be broken down as follows:

Surplus industrial plants in the French zone	Number of plants
Steel and iron.....	2
Nonferrous metals.....	12
Mechanical and electrical industry.....	70
Optical industry and fine mechanics.....	32
Chemistry.....	34
Pharmaceutics.....	2
Dyes.....	36
Inorganic chemistry.....	10
Cement.....	1
Electricity.....	1
Total.....	200

These factories belong to the best export currency producers of German industry. The 70 plants in the group Mechanical and Electrical Industry are not members of big cartels or trusts, but small or medium-sized family-owned firms, characteristic of southwestern Germany. They were among the most successful exporters in peacetime. This applies, too, to the group Fine Mechanics. More than half of the 32 plants in this group produce watches, including the world-renowned Junghans watches.

One of the pharmaceutical firms is Knoll-Ludwigshafen, whose famous alkaloid plant is to be dismantled completely. Another is Boehringer-Ingelheim, with a complete line of caffeine, papaverine, and derivatives of quinine. On the list of chemical plants we find no less than seven factories making soap or synthetic fats. The cement factory listed is a complete unit with two turning furnaces and a capacity of 300,000 tons. Cement is essential in the German housing shortage now and for a long time to come.

United States policy aims at integrating the French zone into a trizonal unit. Thus, after the proposed dismantling of the best dollar producers of this zone the American taxpayer will be called on to carry the greatly increased economic deficit of this territory not once but every year for a number of years.

On the dismantling list for the French zone there is one case so monstrous as to be hardly believable—the dismantling of Europe's big-

gest nitrogen fertilizer plant, at Oppau. According to the official list, not just a single factory is marked for removal but an entire industrial center; three partial plants plus three complete units for the production of synthetic nitrogen.

In 1945 the vital role of fertilizer, and especially of nitrogen, in the fight against world hunger was not yet fully recognized. In the year 1948 all responsible men in the United States Government as well as in the World Food Organization are fully aware that only enlarged production of fertilizer can overcome starvation in Europe and help America share its bread with the hungry. There are a number of excellent reports compiled by outstanding American specialists in the planning of European recovery; the Nourse report, the Krug report, the Harriman report, and the report of the Herter committee. Each of these reports focuses on the crucial problem of inadequate fertilizer production.

To quote from the Krug report:

"World production (of fertilizer nitrogen) today is meeting only about three-quarters of world requirements. \* \* \* It is understood, however, that considerable nitrogen capacity is currently unutilized in western Europe, primarily for lack of coal. The gains to be made from full utilization of this capacity, by making coal supplies available, may be much greater than those which can reasonably be expected from the actions necessary to increase exports of nitrogen from the United States.

"In summary, the foreign-aid program should be designed to increase production of nitrogen by employing unused capacity in Europe and elsewhere to help meet the current world food shortage and to minimize imports of food to aided countries. To this end coal and industrial equipment shipments for nitrogen fertilizer production should be given high priority."

Or from the Harriman report:

"The committee feels strongly that top priority should be given to the provision of steel and equipment to repair war-damaged nitrogen fertilizer plants as rapidly as possible, and to the allocation of adequate supplies of coal to operate them to capacity."

In prewar times Germany was by far the world's largest producer of synthetic nitrogen, with more than half of European production providing not only her own agriculture but also that of many European countries with this vital plant food. According to a statement by Herbert Hoover in his third report to President Truman:

"At the end of the war Germany had a very large nitrogen capacity. Despite losses from war destruction, its potential production was still about 700,000 tons per annum. This capacity, if it had been preserved, would have supplied not only her own needs but large exports to neighboring countries as well."

After the Morgenthau policy was introduced, this capacity was successfully reduced, partly by dismantling, partly by nondelivery of essential materials, and partly by red tape. When the crucial question of fertilizer production for feeding Germany was recognized in its full importance, the monthly reports by the United States military government repeatedly complained that the plant in Oppau in the French zone failed to deliver semifinished products such as ammonia water to the finishing plants in the United States zone.

Even the full reversal of the fertilizer policy of the United States military government was unable to overcome the disastrous effects of its insane start. Actual nitrogen production for the 1946 crop was only 100,000 tons, and even for the 1947 crop only 127,000 tons could be produced by the bi-zone. Part of this deficit was covered by nitrogen exports from the United States to Germany, in spite of the fact that the Amer-

ican farmer is desperately short of fertilizer, too.

Under average weather conditions 1 ton of nitrogen produces 600 bushels of additional grain crop. Therefore, the 500,000 tons of nitrogen production in Germany lost in consequence of dismantling and red tape in each of the years of 1946 and 1947 correspond to an approximate loss of 30,000,000 bushels a year in western Europe's food production. This is, yearly, three times the amount the American consumer was called upon to save in the Luckman food conservation program.

This illustrates how directly every economic folly in western Europe affects every home in the United States. The evil ghosts born from destruction of fertilizer plants are eating our meat on Tuesday, our poultry and eggs on Thursday, and are busy turning the inflation spiral.

If the dismantling of steel-rolling mills, pipe-making or assembling factories, plants producing road-building machinery or coal-mining equipment does indeed proceed on schedule, this scourge of invisible, unwelcome guests will have some newcomers. Those ghosts produced by the dismantling of pipe factories will siphon the gas from our automobiles and the oil from our oil burners. Others, born from the dismantling of steel-plate-producing mills, will steal the plates destined for new cars or washing machines and veterans' houses. All of them together will have their merry-go-round on the inflation spiral.

#### CONCLUSION

It follows from the above analysis that the planning and timing of the dismantling of German plants is uneconomic and unrealistic. The removal of large productive assets from western Germany cannot, under present conditions, contribute to the recovery of the Old Continent. It would, however, aggravate the existing bottlenecks in Europe and the United States as well. It would throw an additional burden on the American taxpayers. Starting Operation Removal now means deliberately knocking out vital European production facilities for years, because it will take years to complete the gigantic job of dismantling, moving, reassembling, and starting the production of large plants.

A new approach to the whole problem of reparations in capital goods must consequently be found—an approach which respects the justified claims for security and compensation on the part of the European victims of Nazi aggression, but at the same time does not jeopardize the outcome of the Marshall plan for European recovery and the economic order in the United States. The 16-nation report, which largely ignored western Germany's potential contribution to the Marshall plan, was drawn up before the breakdown of the London Conference when it was still necessary for the western nations to assume that the Allied reparations agreements, including the dismantling program, would be carried out. But by thus omitting the steel products which could be produced in Germany, the 16 nations were compelled to make demands for United States steel which it will be impossible for us to meet without increasing inflation and bottlenecks in vital areas of American production, such as freight cars, automobiles, and farm machinery.

On the other hand, if Europe required less United States steel, we could manufacture more freight cars which would permit increased transportation and export of coal. A moratorium on dismantling, plus a slight increase in American coal exports to supply fuel for the now unused German, as well as French, steel capacity, would greatly reduce Europe's need for United States steel under the Marshall plan.

It can be estimated that for every ton of increased United States coal exports, at the f. o. b. value of \$10, we can save 1 ton of steel products, at the f. o. b. value of \$100—or

a total probable saving of \$3,000,000,000 over the 4-year period of the Marshall plan, without any loss in the plan's efficiency.

As the United States, Great Britain, and France have already recognized that reparations from current production should not be given precedence over western Germany's recovery, it is about time to make similar adjustments for reparations in capital goods. Germany's existing industrial capacity can be the tool for stepping up current production in the interest of the rehabilitation of the western European community as a whole. This potential should be put to work at once and where it is now located, without prejudice to the political aspect of reparations. All we need for a constructive solution is the application of old-fashioned business principles.

NOTE.—Concrete examples of the terrific economic losses involved in dismantling are revealed in article of December 10, 1947, by the *Neue Zürcher Zeitung*, the greatest newspaper in Switzerland.

The newspaper gives the capital value of certain plants before dismantling as appraised by the Allied Reparations Agency—a figure which is based on the original investment value, with allowance for depreciation and additions—and compares this figure with the official value assigned to the plant by the Allied Reparations Agency after dismantling.

1. The Deschimag Shipyards, No. A. S. 184 on the American dismantling list, published by the House Foreign Affairs Committee, had a capital value of 60 million marks before dismantlement. The value after dismantlement was 4.8 million marks, 8 percent of the value.

2. The Borbeck steel plant, No. B. S. 54 on the British dismantling list, had a capital value before dismantlement of 120,000,000 marks. The sales value after dismantlement was 9,500,000 marks, or 8 percent of the value. The *Neue Zürcher Zeitung* explains that it took 3,000 workers 2 years to dismantle the plant which has been allocated to Russia.

3. The Düsseldorf Werkzeug Maschinen Fabrik, No. B. S. 258, of Schless & Co., Düsseldorf, had a capital value of 30,600,000 marks and a sales value of 12,500,000 marks, or 40 percent, but this was the highest figure and the sales value of most of the plants after dismantling was between 8 and 20 percent.

It is to be noted that these sales figures do not include the cost of reassembling and rebuilding the plants in new locations. These figures fully confirm the gloomy view which John Hynd, Member of Parliament, expressed as to the utterly negligible value of dismantled plants to our allies compared to their real worth.

Mr. LANGER. Mr. President, I wish to call the particular attention of the Senate to the summary of contents of this pamphlet. As I have said, there is a foreword by Herbert Hoover. Then comes part I, including the following chapter headings:

Summary of the arguments on dismantling, pro and con, page 2.

The dismantling claims of our western allies, page 5.

British and Dutch criticisms of dismantling, including debate in the United States Congress, page 6.

Action against dismantling in the United States Congress, page 7.

#### PART II

Reveals for the first time:

How facts about dismantling were withheld, page 8.

How the dismantling program conflicts with the Marshall plan and the Krug, Harriman, and Herter Reports, page 10.

How dismantling contributes to shortages and inflation in America, page 16.

Conclusion, page 19.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. LANGER. I yield.

Mr. WHERRY. In the report is there anything in the form of a recommendation which former President Hoover suggests relative to the dismantling program?

Mr. LANGER. No. Mr. Hoover had all that in the first report, 10 months before.

Mr. WHERRY. Was that submitted to the Foreign Relations Committee?

Mr. LANGER. Oh, yes.

Mr. WHERRY. Does the Senator know what it was?

Mr. LANGER. Mr. Hoover went into the matter of how much food there was in Germany, how many people were there, how to take care of them, and how much want and suffering and starvation existed. He went into those matters in the most minute detail, and presented a remedy for the situation.

Mr. WHERRY. Did the remedy relate to the dismantling program?

Mr. LANGER. He said German plants should not be used in that way, except such as might be used for making a third world war.

Mr. WHERRY. Are the plants set forth in this report?

Mr. LANGER. Yes.

Mr. WHERRY. This is the first time they have been revealed; is it not?

Mr. LANGER. It is the first time that former President Hoover was sure of the number, so far as I know.

Mr. WHERRY. Mr. President, will the Senator from North Dakota yield, to permit me to ask a question of the distinguished junior Senator from Massachusetts?

Mr. LANGER. I yield.

Mr. WHERRY. Mr. President, I should like to ask the Senator from Massachusetts whether Herbert Hoover was a witness at the hearings. He was, was he not?

Mr. LODGE. No, he was not.

Mr. WHERRY. Did he present a statement to the committee?

Mr. LODGE. He filed a statement, which is printed in the hearings.

Mr. WHERRY. Does his statement include any reference to the dismantling of war plants?

Mr. LODGE. I cannot answer that question from memory. I should have to look up the matter.

Mr. WHERRY. Was any thought given by the committee to recommendations by Mr. Hoover about the dismantling of plants?

Mr. LODGE. A great deal of consideration was given by the committee to the subject of dismantling plants; yes.

Mr. WHERRY. Did that relate to Mr. Hoover's recommendations?

Mr. LODGE. I do not recall that Mr. Hoover's recommendation was considered by itself; no.

Mr. LANGER. Mr. President, I have before me the Potsdam agreement, which I obtained this morning. The agreement is signed by Joseph Stalin, Harry Truman, and C. R. Attlee, without any designation as to whom they represent. Only

the three names are affixed to the document. Therefore I quote them in exactly the same manner.

Mr. WHERRY. Is that the same agreement that was placed in the Record this afternoon by the Senator from Kentucky [Mr. BARKLEY]?

Mr. LANGER. It is the same agreement.

Mr. WHERRY. Is it the first time to the Senator's knowledge that it has been placed in the CONGRESSIONAL RECORD?

Mr. LANGER. To my knowledge it is the first time. I particularly call attention to paragraph XIII, reading as follows:

ORDERLY TRANSFERS OF GERMAN POPULATIONS  
The Conference reached the following agreement on the removal of Germans from Poland, Czechoslovakia, and Hungary:

The three governments, have considered the question in all its aspects, recognize that the transfer to Germany of German populations, or elements thereof, remaining in Poland, Czechoslovakia, and Hungary, will have to be undertaken. They agree that any transfers that take place should be effected in an orderly and humane manner.

Since the influx of a large number of Germans into Germany would increase the burden already resting on the occupying authorities, they consider that the Allied Control Council in Germany should in the first instance examine the problem with special regard to the question of the equitable distribution of these Germans among the several zones of occupation. They are accordingly instructing their respective representatives on the Control Council to report to their governments as soon as possible the extent to which such persons have already entered Germany from Poland, Czechoslovakia, and Hungary, and to submit an estimate of the time and rate at which further transfers could be carried out, having regard to the present situation in Germany.

The Czechoslovak Government, the Polish Provisional Government, and the control council in Hungary are at the same time being informed of the above, and are being requested meanwhile to suspend further expulsions pending the examination by the governments concerned of the report from their representatives on the control council.

Mr. President, what does that mean? There have been extended arguments in the Senate about displaced persons. A bill was reported by the Judiciary Committee to take care of 1,323,000 displaced persons. We say we are going to take 50,000 of them a year.

Mr. President, I submit an amendment intended to be proposed by me to the bill—S. 2242—to authorize for a limited period of time the admission into the United States of certain European displaced persons for permanent residence, and for other purposes, which I ask may be printed and lie on the table.

THE PRESIDING OFFICER. Without objection, the amendment will be received and printed and will lie on the table.

Mr. LANGER. Mr. President, on March 4, I submitted Senate Resolution 209, directing the Senate Committee on Foreign Relations to cause to be prepared and distributed to the Members of the Senate a compilation of all international commitments or agreements which had been entered into on behalf of the United States during the course

of the last 10 years. The resolution further provided:

It is the sense of the United States Senate that the Senate shall not be bound to implement by appropriation or other legislation any international commitment or agreement which shall be made or entered into on behalf of the United States of America unless such commitment or agreement shall be transmitted promptly after its execution to the Senate.

Mr. President, some of the agreements we are trying to get are 10 years old, but the United States Senate is not even trusted with them. There are a few fellows at the top who are sacrosanct. The idea of trusting a common, ordinary Senator from New York or Massachusetts or North Dakota or Nebraska! The common people of this country are not supposed to know about such things. All they are good for is to pay the bills and furnish the boys for cannon fodder. At the time of presenting my resolution, I pointed out that over the course of the past few years there have been consummated and there are now being consummated international commitments and agreements vitally affecting not only the United States but the world at large, and that many of the commitments have been consummated without the knowledge of the Senate. The amendment which I am proposing to the Displaced Persons Act of 1948, which has been favorably reported by the Senate Committee on the Judiciary, is prompted by an international outrage of staggering proportions which has been perpetrated by one of the international agreements and implementing commitments.

Mr. President, the conscience of the world was shocked by the savage treatment inflicted by the barbarous Nazi machine on helpless civilians. There is little that I can add to what has already been said to condemn the moral degeneracy which swept Europe in the wake of Hitler's armies.

On August 1, 1945, there was signed in Berlin by Joseph V. Stalin, Harry Truman, and C. R. Attlee, a document, together with implementing decisions and commitments in which representatives of the United States Government participated, pursuant to which some 16,000,000 men, women, and children in eastern Europe were forcefully dislodged from their homes; their property was confiscated and they were driven into the various zones of Germany and Austria. I speak, Mr. President, of the Potsdam agreement, and the implementing decisions of the International Control Council.

With the possible exception of the cruelty and depravity of Hitler's legions, these forced migrations have exceeded in extent any episode in the history of Europe since the days of the Mongolian invasion.

I doubt whether the Mongolian invasion was as bad as what we are witnessing at the present time.

It is mockery, Mr. President, in speaking of these outrages, which were sanctioned and agreed to by representatives of this Government, to mention the lofty precepts of the Atlantic Charter, and

yet, on interrogation about this matter, the Chief of the Division of Central European Affairs of the State Department, offers as an excuse this statement:

The Atlantic Charter, it may be noted, disapproves of territorial changes contrary to the wishes of the people concerned, but is silent on transfers of populations.

Thus it was, Mr. President, that the spokesmen of this country, blinded by wartime passions and hatreds, after the successful termination of a war presumably against similar outrages, let loose sentiments of revenge against the innocent and guilty alike. In the negotiations, decisions, agreements, and commitments they decided to adjust populations to geographical areas, instead of geographical areas to populations, even though the plan called for the mass expulsion of millions of innocent human beings.

Pursuant to the agreement, Mr. President, some 16,000,000 persons, who were then living in countries that are now curiously enough behind what is now called the iron curtain, whose chief crime against humanity was that they had traces of German blood pulsing in their veins, were heartlessly assembled like cattle and dumped into Germany and Austria.

It is estimated, Mr. President, that between 20 and 25 percent of these persons perished in the process of expulsion from lack of food, shelter, or from maltreatment.

That is what the United States Government agreed to, Mr. President, that is the unholy record of the United States Government. I am not talking about the Huns. I am not talking about the Mongolian invasion. I am talking about Americans and what their Government is thinking in the twentieth century.

But that is not all of the story, Mr. President. On December 16, 1946, the General Assembly of the United Nations Organization approved a constitution for the International Refugee Organization, pursuant to which there has been established an international organization of which the United States is a member and which costs this country approximately \$73,000,000 a year for the purpose of caring for refugees and displaced persons. According to the provisions of that constitution, Mr. President, persons of German ethnic origin, or the German nationals and members of German minorities in other countries who have been transferred to Germany, are expressly excluded from the care and concern of the International Refugee Organization.

Mr. President, the very man who placed the dome on this Capitol, the very man who drew the design for the Congressional Library, the very men who painted the two great pictures of Washington Crossing the Delaware and Westward the Course of Empire Takes Its Way, which hang upon the walls of this building, were foreign-born persons who came to the United States of America. Under such a constitution as that to which I have referred some of the men who helped to save this country at Valley Forge would have been barred from coming to the United States of America. Not only

that, Mr. President, but the largest ethnic population in the world, with the exception of Great Britain, would be barred from ever coming to this country. I cannot imagine my voting for the bill as reported by the committee. I would rather cut the tongue out of my mouth than to vote "yea" for such an infamous bill.

I repeat, Mr. President, that according to the provisions of that constitution, persons of German ethnic origin or the German nationals and members of German minorities in other countries who have been transferred to Germany, are expressly excluded from the care and concern of the International Refugee Organization.

I see sitting in the Senate the distinguished Senator from Minnesota [Mr. THYE]. I think he will agree with me that in the great Northwest there are no finer, better citizens when it comes to maintaining order, when it comes to hard work, when it comes to being loyal to the United States of America, than are the men of foreign birth who are scattered throughout Montana, Kansas, North Dakota, South Dakota, Minnesota, Wisconsin, and Missouri. There and in Ohio and Pennsylvania they have a record of which they can be very proud indeed. In World War I there was a little county in North Dakota in which 95 percent of the people were foreign born. They won the McAdoo prize for buying the most Liberty bonds in drive No. 3.

It is too late, Mr. President, for us to undertake to rectify this international outrage. The amendment which I have offered proposes, however, a measure of justice and relief. Senate bill 2242, the Displaced Persons Act of 1948, does not embrace as displaced persons these men, women, and children of German ethnic origin concerning whom I have been speaking. I understand that since these people are expressly excluded from the care and assistance of the IRO and are not accepted in IRO camps, it would be exceedingly difficult from the standpoint of administration to undertake to embrace them within the group technically known as displaced persons. The aggregate immigration annual quota for Poland, Czechoslovakia, and Hungary, from which these persons were driven, is only a little over 10,000. The annual immigration quota for Germany, however, is approximately 26,000. The effect of my amendment would be to permit these persons of German ethnic origin who are now lingering in Germany to have available to them, along with all other German nationals, the present German quota. These persons would, of course, be obliged to comply with all of our immigration laws. This does not, Mr. President, constitute a solution or atonement for the conditions which representatives of this Nation participated in creating, but it is at least recognition, perhaps too late, that there is rooted in this country some semblance of justice.

I have not spoken of the 3,000,000 Poles from east of the Curzon line who have been forced into the areas from which the persons of German ethnic origin had been expelled. I have not

spoken about the half-million Ukrainians who were resettled in Poland or expelled to the Soviet country. I have not spoken of the 700,000 Hungarians in Czechoslovakia who are being dislodged from their homes. Nor have I spoken of the 700,000 Balts who are being deported into the interior of Russia. Concerning each of these cases volumes could be written which would stagger the imagination.

To speak of these people in the term of numbers is a heartless approach, but no less heartless, Mr. President, than the decisions, commitments, and executive agreements which have been made on behalf and in the name of the United States of America, and which are even now hidden from the view of the American people.

I have not yet spoken, Mr. President, of the hundreds of thousands of refugees who are now lingering in Denmark, Norway, and Sweden, who are also outside the purview of the international refugee organization, and who, I am reliably informed, are being picked over by representatives of the Russian Government who take the able-bodied forcibly back to Russia for slave labor. There would be no displaced-persons problem today were it not for the fact that these displaced persons cannot return home to those countries which are now under Russian domination. Why are they under Russian domination? A study of the decisions, agreements, and understandings which were entered into on behalf of this Nation will serve as an answer, Mr. President.

I assert that when we see the full text of the agreements, understandings, and commitments which have been made on behalf of the United States—made behind closed doors and without the knowledge or consent of the American people—it will be found that the position of Russia today in world affairs is directly traceable to these agreements. We have appropriated millions of dollars to ferret out subversives who are even now in positions of authority in the Government of the United States. I contend that many of these agreements and commitments will be shown to be their handiwork. I further contend that it will be shown that the blueprint for the iron curtain was partially drafted in Washington and that the materials from which the iron curtain has been fabricated are largely from the production of American workmen, just as the bullets which so lately slaughtered our American boys in the Pacific were forged from American steel.

We have recently viewed with alarm the absorption, by Russia, of Czechoslovakia. I suggest, Mr. President, that if the record were brought to light it would be shown that this coup did not just happen in the course of a few weeks or months, but that the groundwork was laid through certain international understandings and agreements during the war. Was it mere coincidence that the Soviet forces were the liberators of Prague, while the American forces were ordered to halt at Pilsen, some 50 miles away?

We have, Mr. President, appropriated thousands of dollars to investigate war contracts of persons who were thought to

have committed frauds in the production of the implements of war, but as yet we have not dared to peek behind the curtain which hides the international contracts and agreements and their execution. I submit that investigation in this realm will make the frauds of war contractors seem like child's play. These may appear to be rash statements, but I challenge the Foreign Relations Committee and the Senate itself to test them against what is hidden from our view but could, through the insistence of this body, be revealed.

Mr. President, I say, in conclusion, that if the Senate of the United States is to maintain the respect and confidence of the American people, which it has enjoyed for over a century and a half, the Senate will relentlessly insist that there be brought to light the full text of all international agreements, decisions, and understandings which have been entered into on behalf of the United States in the course of the last several years, and then let the chips fall where they may.

Now, Mr. President, I go back to the eloquent opening address made by the chairman of the Committee on Foreign Relations, the senior Senator from Michigan [Mr. VANDENBERG], because he so thoroughly agreed with what I have just been saying. Toward the end of his address the distinguished Senator made this statement:

Third. This act depends, again, for its success upon the prompt restoration of western Germany to an effective place in the economy of Europe and the world. It must be decentralized. It must be demilitarized for keeps. But it must be restored to decent hope and productivity. The western occupying powers must quit their indecision and put Germany wholesomely at work again without delay. The Ruhr alone could spell the difference between success and failure.

Mr. President, time and time again we have been told by our experts that if Germany goes communistic all of Europe will go communistic. I submit, in view of what I stated a few moments ago, that frequently by our actions we have hurt them instead of helping them.

Consider the denazification program in Germany. It has been in progress now for 2 years. A little while ago there were still a million to be denazified, and when a man or woman has been denazified, it does not mean he or she is through, because if other complaints are made, they have to be denazified a second or third time. Over there school teachers, ministers, professors who have been high in the universities, are still locked up in some of the camps waiting to be denazified, and they cannot even get jobs.

In a political campaign a few years ago Frank E. Gannett, of Rochester, N. Y., was a candidate for President, and I believe he received 79 votes on the first ballot. That is my recollection.

I hold in my hand a communication I received this morning from Mr. Gannett, a statement which I believe to be of tremendous interest, relative to the Marshall plan. He says:

Seldom has there been before Congress an issue as important to the future of America as the Marshall plan.

This eminent statesman, whether we agree with him or whether we do not, but who at least in America is considered by some as one of the outstanding authorities on those things in which he believes, states:

Some eminent persons have discussed the question. We are familiar with the arguments that have been advanced. And I hope you will not be misled by the propaganda that has been let loose upon the Nation.

These facts cannot be overlooked.

1. No amount of money that we may pour into Europe can stop the spread of communism.

2. The large sums that we have poured into Czechoslovakia through UNRRA did not save that country; the government was taken over by a minority, 38 percent.

3. We have, according to the President, spent \$15,000,000,000 in Europe. To what advantage?

4. We are now asked to send more money, or war material, or men, to Greece. Will the begging never end? Are we already in world war III in Greece?

5. Five hundred million dollars are now asked for China. I was in China last summer, and became convinced that money cannot save the Chinese Government.

6. Our resources are not limitless. We can raise these staggering sums from only two sources; from additional taxes upon the overburdened taxpayers, or by running the printing press, causing inflation, and reducing the value of our dollar.

7. Do you realize what \$1,000,000,000 is? If we printed a dollar every minute of the day and night, it would take 2,000 years to print \$1,000,000,000. To print \$17,000,000,000 would require 33,000 years.

8. Anyone who reads the financial pages today sees alarming, dangerous symptoms and signs of an approaching depression. It is no time to spend—or commit ourselves to spend—billions in Europe, when we face a serious financial problem here at home.

9. With the Russian situation very tense, it is time to put our own house in order, to make America prosperous and strong enough to save itself. Only then can it hope to help the world. We must not weaken ourselves with costly and futile efforts in any direction.

Mr. President, I address myself now to the distinguished acting majority leader. It is now after 5 o'clock, and I had thought I would start earlier today than I was able to. I ask unanimous consent that I be allowed to take the floor and complete my remarks when the Senate meets tomorrow.

Mr. WHERRY. If it is the desire of the Senator that he discontinue now and proceed tomorrow to complete his remarks, that is agreeable.

The PRESIDING OFFICER. Without objection, the order is entered.

Mr. MALONE. Mr. President, in view of the fact that my remarks relative to the Marshall plan and our foreign policy were extended over a couple of days last week, March 4 and 5, which normally would have required probably 20 or 25 minutes to deliver except for the extended debate, I ask unanimous consent to insert in the RECORD a summary of my address as a part of my remarks at this point.

The PRESIDING OFFICER. Following the present statement the Senator is making?

Mr. MALONE. Yes.

The PRESIDING OFFICER. Is there objection?

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

#### PEACE AND SAFETY OF THE UNITED STATES

1. The peace and safety of this Nation is seriously threatened, through the complete absence of a definite foreign policy, telling our own people and the nations of the world what we consider will threaten our ultimate peace and safety, and the complete absence of a military organization spearheaded by an air corps to enforce our pronouncement.

2. The basic subject of foreign policy has never been discussed with the American people, through two world wars, and now the Marshall plan is in the same category. The basic subject at issue (as it was in 1823 when the Monroe Doctrine was established to protect South America and the Western Hemisphere from encroachment from the European empire-minded nations) is what areas—and naming the nations in the European and Middle East countries, including Asia and the South Seas—is it necessary for us to currently protect for our own ultimate safety? Until this decision is made no plan to make it effective can be intelligently discussed.

I challenge the State Department to name the nations of the 56 member countries of the United Nations Organization, whose integrity we must currently protect for our own ultimate safety, to tell the world and the American people the truth, so that any empire-minded nations may be apprised of our intentions and thus avoid what could well develop into a third devastating world war, and that our own people may prepare for their own defense, through rebuilding our military organization spearheaded by an air corps that could keep any other nation on the ground in the event of war.

#### HUNGRY PEOPLE—COMMUNISM—REHABILITATION OF INDUSTRY

3. It is impossible to consider the feeding of hungry people—the stopping of communism—and the rehabilitation of industry as one subject. We only confuse ourselves.

As a result we mix our emotions with the facts and become unwilling victims of the greatest propaganda machine ever established in Washington; let us take them one at a time:

(a) Feeding emergency hungry people of Europe or of any other area is a matter of charity and must be so considered apart from other considerations. The Congress of the United States has appropriated nearly \$1,500,000,000 during the last 12 months for that purpose alone, and has appropriated \$24,000,000,000 and handed it to the nations of the world without hope of repayment since the close of World War II in 1945.

The December 1946 appropriation of \$597,000,000 is expected to last into March of this year; and the Congress is ready to consider further reasonable gifts for food, until Europe completes its third crop, to the extent that our own resources will withstand the impact without further inflation.

(b) Stopping communism through protecting the integrity of the nations of the world that we decide, after full discussion and study, we must currently protect for our own ultimate safety, is a matter of our own integrity and frankness with our own citizens—and with the nations of the world.

If we should decide, after full consideration of our experience through two world wars—and our improved methods of defense and offense—that a threat to the integrity of any member nation of the United Nations Organization, by any other nation would constitute a threat to our ultimate safety—then President Monroe's exact words could

be utilized in announcing an extension of the established Monroe Doctrine, leaving out any reference to the Western Hemisphere, and say, in effect, to the world and to the American people that:

"We owe it therefore to candor, and to the amicable relations existing between the United States and those powers, to declare that we should consider any attempt on their part to extend their system, as dangerous to our peace and safety."

We should then build at once a military force, spearheaded by an air corps that would bear silent evidence to all concerned that we were ready and able to enforce the extended doctrine, just as we have enforced the original Monroe Doctrine covering the western hemisphere for more than 125 years, and which had kept us out of a major war for more than 75 years.

The Congressional Air Policy Board has recommended a long-range military plane purchase program, which would provide a 35,000-plane striking force costing \$16,800,000,000 over a 5-year program. The President's air policy board's recent report closely parallels this document.

The Armed Service Committees of Congress should immediately check these reports and if found correct recommend their adoption and the appropriation of the necessary funds by the Congress of the United States for the entire 5-year program.

Congress could apply the Marshall plan 4-year funds of \$17,000,000,000 to the \$16,800,000,000 5-year plane purchase program and have approximately enough left to continue the necessary European nations' feeding program until they raise a third crop and to furnish the necessary funds to the RFC or the World Bank for the rehabilitation of the European nations' industry under the Reconstruction Finance Corporation rules, as applied to American citizens.

(c) The rehabilitation of the industries of the 16 Marshall plan European countries, entirely separate from feeding hungry people, can then be accomplished as a purely business transaction in the same manner as such industrial plants were financed in this country by the Reconstruction Finance Corporation during depression and World War II years.

A reasonable amount of money, say \$1,000,000,000, could be appropriated and made available to the RFC or to the World Bank for that specific purpose, simply providing that the RFC rules and regulations be applied to any foreign-business loans.

Their rules provide for an investigation of the feasibility of such an industry by an experienced investigator in the respective field, with an estimate of cost, together with a list of the needed machinery and supplies. They further provide for a lien or mortgage to be taken on such equipment—the stock or shares of the existing organization to be hypothecated as additional security for such loan, and then the signature of the applicant is required.

It will prove a pleasant surprise to both the Congress and to the State Department the relatively small amount of funds that the European nations will require for industrial plant refinancing, if such loans must be secured on a business basis.

4. The entire thesis and point of my argument is that the feeding of hungry people, whether located in this or any other nation—the international policy of protecting the integrity of foreign areas in the interest of our own ultimate safety—and the rehabilitation of industrial plants in such foreign nations, must be considered separately to make sense and to be understood by our own people.

The extent that we can and should feed the hungry people of the world—and the amount

of money we may loan for rehabilitation of industrial plants on a business basis throughout the world—is the particular business and responsibility of the Congress of the United States—while the international policy, the determination of the areas and nations of the world that we must currently protect for our own ultimate safety is a State Department matter.

5. On March 4 the London Evening Standard (Lord Beaverbrook) said editorially, "that the nation's Socialist government is sitting back to await another American hand-out and thus save its nationalization schemes."

It said further that "to accept more dollars when the experience of the first dollar loan proved so disastrous would be blind folly." It may be understood—and I found the English people divided at the time of my visit there in November 1947—that the English people are far from agreeing as a unit upon the advisability of their own nation accepting further gifts from this country—many feeling that such gifts merely retained the Socialist government in power.

6. General Wedemeyer, in agreement with General MacArthur, testifying before the House Foreign Affairs Committee on March 4, said, "I don't believe dollars alone will stop the spread of communism anywhere in the world." General Wedemeyer further testified—and General MacArthur had previously wired substantially the same statement to the committee—that "I predict that if we don't take appropriate steps to stop this communistic conflagration, we are going to pay in blood."

Neither agrees with General Marshall when he continues to suppress the year-old Wedemeyer report on China and recommends a purely economic program totaling \$570,000,000 for that nation. We have no reason to suppose that General Marshall is more nearly right when he recommends a purely economic approach to the European problem than he has been right in his policy toward China.

7. Spokesmen for the Marshall plan bill made the shocking admission that the amount asked for during the first 12 months was arrived at by determining the total unfavorable trade balances of the 16 Marshall-plan countries for that period with all of the countries of the world and providing them with the necessary cash to continue their unbalanced operations regardless. We simply export to them the necessary cash to make up the deficit, which, I submit, is a dangerous precedent, and if such a policy is to become our accepted method of dealing with the areas necessary to our ultimate safety, why are not the Middle East, Asiatic, and South Seas areas included, which competent authorities may decide are also necessary for our own safety? It is also an open invitation for unbridled spending on their part with assurance that this country will pay their bills.

8. The sponsors of this legislation have also said that a large amount of the funds advanced to foreign countries will be returned in the form of strategic and critical minerals and materials, indicating that we are now appropriating the money for which we would import the necessary strategic and critical minerals and materials with no thought or safeguard against closing our own industries in these fields through competition provided by appropriations by our own Congress.

An analysis of this statement shows that to get back one-third of the \$17,000,000,000 would require the importation of approximately \$120,000,000,000 worth of such strategic and critical minerals and materials, since naturally such debtor countries could only return their net profit on producing such materials, which would probably not exceed 5 percent. If this were done, which is very un-

likely, it could result in shutting down all of the strategic and critical mineral industries, including the textile industry, of the United States for approximately 25 or 30 years. There are no strategic or critical minerals available in Russia that cannot be secured elsewhere just as readily.

9. The provisions of trade agreements already signed and in operation between the United Kingdom and Soviet Russia, and Belgium and Soviet Russia, provide for furnishing fabricated steel and other goods direct to the U. S. S. R. and it is well known that we are at this time shipping from 6 to 8 million tons of steel to these European countries and that such trade agreements could well prove to be a "manufacturing in transit" rate meaning that the raw steel and other supplies from this country would find their way direct into the U. S. S. R. in the form of fabricated and manufactured steel goods and materials.

We are at this time shipping large amounts of steel and aluminum to Canada, much of which is finding its way behind the iron curtain in the form of manufactured products.

10. It is impossible to stabilize trade or currencies in Europe as long as they continue the established practice of manipulating the value of their currencies to favor their own particular country, and as long as the empire-minded nations, with particular reference to Great Britain, follow their established practice of directing trade to the "mother" countries through their empire-preferential rates and the use of the sterling bloc.

11. There is a grave question as to whether the Congress of the United States can create additional purchasing power by making appropriations for gifts to foreign nations above the amount required to meet the cost of our own Government each year, unless there is comparable increase in our production. This was thoroughly illustrated in the \$3,750,000,000 loan to England in 1946, when almost immediately they complained that due to subsequent inflation their estimates of the amount that could be purchased for the loan was almost cut in half. Any further such appropriations would probably have the same general effect.

12. Truth and integrity are the commodities badly needed in the world today. If the United Nations, our own State Department, and the Congress of the United States would bend their efforts toward reestablishing the integrity of private investments throughout the other 56 member nations of the United Nations, in the same manner as we respect the investments of their nationals in this country, then many of the pressing industrial problems would be automatically solved through such private investments.

This is the same administration that:

(a) Recognized the country, about which they are now complaining, in 1933 without any safeguards whatever.

(b) Continued to ship the oil and scrap iron to Japan almost up until Pearl Harbor.

(c) Always claimed prior to World War II that military help was not necessary; that furnishing the money and equipment to the enemies of Germany would do the job.

(d) They are now claiming that the Marshall plan may well stop any threat to the integrity of any other nation in Europe, while competent military authorities have presented their testimony to congressional committees that without military assistance loans will be of little value.

13. The administration has treated General de Gaulle, of France, like a stepchild from the beginning of World War II and has generally opposed his authority in France, while at this moment he is recognized in that country as perhaps the strongest man and is at this moment asking for the

military help of this country on the basis that little else will be of value. They have also effectively ignored Franco, of Spain, a very effective enemy of communism, in the same manner.

14. The \$17,000,000,000 asked for under the Marshall-plan bill, added to the \$24,000,000,000 already expended throughout the world since World War II, added together is \$5,000,000,000 more than the assessed valuation of the entire 11 Western States and the 11 Southern States combined, and all of this expenditure made without any definite international policy.

15. The additional \$17,000,000,000 for the Marshall plan is requested from Congress without any agreement or treaty with the separate nations involved in the matter of a nonaggression pact such as has been consummated with the South American countries, and in the face of a definite statement made by leaders in England, that they were undecided as to what action they would take in the event of a war between United States and Russia—that what they wanted to do was to become the bridgehead between communistic Russia and capitalistic United States—and without any definite statement of international policy by the State Department as to what areas it is necessary for us to currently protect for our own ultimate peace and safety.

16. Seven of the sixteen Marshall-plan countries are more than 100 percent recovered, compared to the 1937 industrial index—England 115 percent, Denmark 117 percent, Norway 122 percent, France 106 percent, Ireland 109 percent, Sweden 107 percent, Switzerland 101 percent, and all others are well on the way to such recovery, with the exception of Germany and Austria, which are listed as 42 and 50 percent, respectively.

17. Sir Stafford Cripps was very frank in our London discussions last November—that they do not require the Marshall plan gift so much for England, but needed the money for building up their colonial possessions, particularly in Africa where they want to build up new industry including transportation systems—and opposed my suggestion that private investments from my own and other countries might largely undertake the necessary development if the integrity of such investments could be assured.

18. Mr. Monnet, of France, was also very frank in his outline of the Monnet 5-year plan—that their Government wants the Marshall plan money to purchase power-plant equipment and other new industrial plants to be installed and to be owned by the Government. They are not interested in guaranteeing the integrity of private investments for that purpose.

In addition Mr. Monnet was very clear that they expect to be furnished much of the raw materials free through the Marshall plan.

19. The American people have not been advised that many of the Marshall plan countries have driven more local money underground in their own countries through their nationalization and socialization schemes than they are asking for under the plan. Also that the nationals of the Marshall plan countries have nearly as much invested in this country as they are asking for, and in addition have effectively stopped all private investments from this Nation by the same official nationalization policies.

The American people have not been advised that the German steel production has been held to under 4,000,000 annual tons from a near 24,000,000 tons, and that the German plants could be utilized to produce an additional six to eight million tons which we are now shipping to Europe, and in that event could hold our steel here and overcome the existing spot oil shortage, and cease forcing our own steel companies to expand their production—also the Germans could then repay

our Nation for the more than \$1,000,000,000 annual board and general supervision cost for their country.

20. There can be no effective bipartisan foreign policy, first, until there is a definite foreign policy, and second, there can be no bipartisan foreign policy starting at the water's edge until the State Department stops its activities at the water's edge. It now largely controls national policy through the reciprocal trade act and its many ramifications through Executive orders and departmental edicts.

Mr. MALONE. Mr. President, I further ask unanimous consent that there be printed in the RECORD at this point in my remarks an outline of the trade agreements made between the Marshall-plan countries and eastern Europe. This has particularly to do with the Netherlands agreement with the countries behind the iron curtain.

The PRESIDING OFFICER. Is there objection?

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

#### TRADE AGREEMENTS BETWEEN MARSHALL-PLAN COUNTRIES AND EASTERN EUROPE

We have already reported the fact (CONGRESSIONAL RECORD, March 4 and 5) that England and Belgium have trade agreements with Russia and are shipping steel and products made of steel to Communist Russia.

Further investigation reveals that France has a trade agreement with Russia and trade agreements with seven other countries in eastern Europe which are dominated by Communist Russia. These seven other countries are Bulgaria, Finland, Hungary, Poland, Rumania, Czechoslovakia, and Yugoslavia.

All of this simply amounts to a "manufactured in transit" rate from our country to Russia and her satellite countries—which corresponds to our shipments of scrap iron and oil to Japan almost up to Pearl Harbor and World War II.

Appendix I shows the date these agreements were entered into and the expiration date of the agreements.

Although the Netherlands do not have a trade agreement with Russia itself, they do have trade agreements with seven countries which are dominated by Communist Russia entirely, plus Austria and eastern Germany, which are partially dominated by Russia.

The seven Communist-dominated countries with which the Netherlands has trade agreements are as follows: Bulgaria, Finland, Hungary, Poland, Rumania, Yugoslavia, and Czechoslovakia.

The Department of Commerce is engaged in analyzing these trade agreements to see whether steel and products made of steel are being shipped from the Netherlands to the various countries concerned. Not all of the trade agreements have been made public. The trade agreements between the Netherlands and Bulgaria for the period from June 1, 1947, to May 31, 1948, shows that the following products, among others, are being shipped to Bulgaria: Electrical material, radio articles, various chemical products, ships, rubber, and transport material (including auto-busses and Diesel motors).

No export license is required to ship raw materials and manufactured goods to Canada and no account is taken as to the ultimate destination of such goods and materials.

We have been and are now shipping large amounts of raw steel and aluminum to Canada, and that nation is furnishing processed goods behind the iron curtain—a sort of "manufactured in transit" rate from our country to the nations behind the iron curtain.

#### APPENDIX I

#### Trade agreements with eastern European (iron curtain) countries

##### FRANCE

Country and type of agreement	Date concluded	Expiration date
Bulgaria: Trade and payments agreement.....	June 10, 1947	June 15, 1948
Finland:		
Payments.....	Feb. 2, 1946	Mar. 1, 1949
Trade agreement.....	Mar. 14, 1947	Feb. 2, 1948
Decision of mixed commission.....	Sept. 22, 1947	Do.
Hungary:		
Payments.....	Nov. 22, 1947	Oct. 31, 1948
Trade agreement.....	do.....	Do.
Poland:		
Payments.....	Aug. 1, 1946	Aug. 1, 1950
Trade agreement.....	Aug. 20, 1947	Aug. 31, 1948
Rumania: Trade arrangement.....	July 6, 1946	(?)
Czechoslovakia:		
Financial.....	July 29, 1946	July 29, 1949
Trade arrangement.....	do.....	
Decision of mixed commission.....	Feb. 3, 1947	(?)
Do.....	July 29, 1947	
U. S. S. R. (Russia): Commercial arrangement.....	Dec. 29, 1945	May 1, 1951
Yugoslavia:		
Payments agreement.....		
Commercial agreement.....	June 12, 1946	Apr. 30, 1948
Prolongation of agreement.....		

<sup>1</sup>Not specified.

<sup>2</sup>Dec. 31, 1947 (extended to Apr. 1, 1948).

#### NOTES

The trade agreements listed above are short-term agreements (usually 1 year) but were concluded with the idea that they would either be prolonged at the end of the period or replaced by a revised agreement altering the lists of products to be exchanged. They are in most cases accompanied by payments agreements which generally provide that clearing accounts are to be set up with no actual transfer of cash except of amounts needed to balance the 2 sides of the account (or, in some cases, payment only when the balance exceeds a stipulated amount in favor of one or the other party). Payment agreements are sometimes of longer term than the commercial agreements, indicating the expectation that the latter will either be replaced by another before the expiration date or prolonged in its original form.

Trade arrangements differ from trade agreements in being of a somewhat more comprehensive nature. The arrangement with Russia, for example, involved reciprocal tariff treatment, navigation, and the status of legal and physical persons engaging in the trade; that with Rumania provided for improvement of transportation facilities as well as with commodity exchanges. The trade arrangement with Russia differed from most of the other arrangements and agreements in not specifying lists of commodities to be exchanged.

Decisions of mixed commissions in the above table are changes effected during the life of an agreement usually a revision of the lists of products to be exchanged.

Mr. WHERRY. Mr. President, in the Evening Star of yesterday there appeared an article written by Richard L. Stokes entitled "Nations on United States Aid Lists Are Far From Mendicants. Only Three Countries Designated for Help Would Probably Perish Without It; Eight Already in the Black."

I think this article should be read by every Senator. Mr. Stokes very forcefully sets out that—

A country able to survive in postwar Europe should succeed anywhere, at any time. On that theory, statesmen and economists are hoping to draw some kind of lesson from the Marshall plan group, consisting of 16 Paris Conference nations and western Germany.

It has been repeated here time and again, and the statement goes forth to the country, that unless money is subscribed to all 16 of the nations in Europe and aid is sent to them, they will fail, that there will be nothing left of the 16 or 17 countries which make up the nations of western Europe. Mr. Stokes very forcefully

points out that Switzerland, Portugal, and Turkey are in excellent condition.

Mr. LODGE. Mr. President, will the Senator yield?

Mr. WHERRY. In a moment. I suppose the distinguished Senator from Massachusetts will now say that they are not to get aid, that they will be eligible for loans.

Mr. LODGE. Will the Senator from Nebraska permit me to express my ideas in my own words?

Mr. WHERRY. That they will be eligible for loans. Now will the Senator please express the idea in his own words?

Mr. LODGE. I notice that the Senator from Nebraska says that the word is going out all the time that these 16 nations are in desperate condition and need help. It is not going out from me and it is not going out from the Foreign Relations Committee. There are enough difficulties in this problem; there are enough legitimate objections to it. The whole world is creeping toward the abyss fast enough without dragging any red herrings across the path. We do not need to do that. We have enough trouble as it is. It is obviously true that Portugal is in good shape, that Switzerland and several other countries are in good shape.

Mr. WHERRY. And Turkey is in good shape.

Mr. LODGE. What?

Mr. WHERRY. And Turkey is in good shape.

Mr. LODGE. Yes; Turkey is in good shape.

Mr. WHERRY. And it is also true, is it not, that Belgium, Denmark, Luxemburg, and Sweden are in good shape?

Mr. LODGE. And it is precisely for that reason that they are not going to get any gift under the Marshall plan. Why not be candid about this thing and not drag red herrings around, and pretend that we are going to give a lot of money to Switzerland and Portugal when it is a fact that we are not going to do any such thing?

I thank the Senator from Nebraska for yielding to me in such a generous manner.

Mr. WHERRY. Mr. President, I want to compliment the distinguished Senator from Massachusetts for the able work he has done on the Committee on Foreign Relations; but I wish to say that it is not my purpose to drag red herrings across the road on which we are now traveling in the matter of aid to Europe. It seems that when anyone rises to his feet and even intimates that he could say anything that would be at all in contradiction to the report of the committee, or what it has done, some Members feel that it means tramping upon their toes, and that they should rise and defend each and every act and every bit of work done by the committee.

I did not say that the story originated with the Senator from Massachusetts [Mr. LODGE] or with the Senator from New Jersey [Mr. SMITH] or even with the Foreign Relations Committee. I said word has been broadcast over the country that all sorts of direful things may happen to these 16 nations which need aid. I submit that is a practical statement, and it is a truthful statement.

I will put it this way, Mr. President, that the supposition is very strong that all these nations are going to fall, and that unless they receive aid through the Marshall plan it is all over, and the only alternative is too terrible even to contemplate. That is the theory.

Now I should like to say to my distinguished and able friend from Massachusetts, for whom I have the highest regard, that the article to which I am referring sets forth in a very forceful manner a situation which is entirely different from that. I think the article is very fair in its approach. As I understand, the article does not oppose the Marshall plan. The writer of the article gives his ideas respecting the conditions of some countries and their need for aid. The writer says that the countries he considers to be in excellent condition are Switzerland, Portugal, and Turkey.

I think the distinguished Senator from Massachusetts will recall that when he was in Switzerland last year he found it to be the only country in Europe where he had to discount the dollar. Is it not correct that Switzerland was the only country of Europe in which the dollar was at a discount? One could not get 100 cents on the dollar?

Mr. LODGE. That is perfectly correct, yes, and I hope the Senator from Nebraska will agree that we cannot integrate Europe without integrating all the nations of Europe.

Mr. WHERRY. The writer says that Switzerland, Portugal, and Turkey are in excellent condition. He says that there are only three countries which are likely to fall in the event aid is not forthcoming. He says that already eight of them are in the black so far as restoration is concerned. The writer says that countries which are in good shape are Belgium, Denmark, Norway, Luxemburg, and Sweden.

He says countries in a rather difficult situation are the Netherlands, Ireland, and Iceland.

Mr. LODGE. What is the authority on which he bases his statement?

Mr. WHERRY. The writer says the countries in poor condition are the United Kingdom, France, and Italy. I agree that from my own observations possibly the United Kingdom, France, and Italy are in what I would call a desperate situation, but even though the Marshall plan should fail, still negotiations could be carried on between the United States and those three countries to see that they were brought out of the dark and into the light by giving them aid, even if the Marshall plan did not succeed in doing so.

Mr. LODGE. Will the Senator tell us the authority from whom he is reading.

Mr. WHERRY. I stated in the beginning of my remarks that I only asked to place in the RECORD an article written by Richard L. Stokes in the Sunday Star, giving his version of the situation in Europe, and what nations he thought needed aid, and that his conclusion is that they are far from being mendicants.

Since the Senator raised the question respecting the authority from which I

quoted, I will say that I also read completely the report issued by the Committee on Foreign Affairs of the House. If the distinguished Senator from Massachusetts has read it he will agree with me that its recommendations are almost in line with what is set forth in the article. I will bring the report to the Senate and place some of it in the RECORD, because I feel that the public is entitled to know all the aspects of the question. I believe that the impression which has gained headway throughout the whole United States that these 16 nations are in such a terrible plight really does not reflect the actual situation of some of the countries.

Mr. President, I ask that at this point in my remarks there may be printed the article written by Richard L. Stokes and published in the Sunday Star. I recommend that all Members of the Senate read the article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NATIONS ON UNITED STATES AID LIST ARE FAR FROM MENDICANTS—ONLY THREE COUNTRIES DESIGNATED FOR HELP WOULD PROBABLY PERISH WITHOUT IT; EIGHT ALREADY IN THE BLACK

(By Richard L. Stokes)

A country able to survive in postwar Europe should succeed anywhere, at any time. On that theory, statesmen and economists are hoping to draw some kind of lesson from the Marshall-plan group, consisting of 16 Paris conference nations and western Germany.

Contrary to what may be a common impression, they by no means form a homogeneous crew of mendicants. Eight of the seventeen peoples have passed already to the credit side of the ledger. Six others expect to reestablish themselves in the next few years. Only three are in straits so hazardous that most likely they would perish without American aid.

#### FALL IN FIVE CATEGORIES

Such are the conclusions to be drawn from a study of the State Department's recent report, in 17 volumes, upon the European Recovery program. In exhaustive detail are recorded the past, present, and prospective circumstances of each participating region.

According to relative stages of well-being, the countries may be divided into five categories. In descending order, they are as follows:

1. Excellent: Switzerland, Portugal, Turkey.
2. Fair: Belgium, Denmark, Norway, Luxemburg, Sweden.
3. Difficult: The Netherlands, Ireland, Iceland.
4. Poor: United Kingdom, France, Italy.
5. Desperate: Greece, Austria, western Germany.

Taking the eight countries of the two upper groups, it may be observed that they have three factors in common:

Their economies suffered little or no war damage.

Their political governments are notably stable.

They have no Communists or only futile Red minorities.

#### MADE MONEY ON WAR

Switzerland and Portugal remained neutral throughout the war. Turkey did not join hostilities against Germany and Japan until February 21, 1945, 2½ months before VE-day. All escaped war damage and turned the conflict to profit. They are the only Marshall plan countries which are expected to

pay cash in full for benefits received and to reinforce the United States in extending credit.

With brief interruptions, the Swiss Confederation has endured four and a half centuries. Portugal's Prime Minister, Antonio Salazar, has been in power for 24 years. Turkey's President, Ismet Inonu, is serving his fourth 4-year term. Portugal is a single-party corporative state, and Turkey a democracy with absolutist overtones. Switzerland is a bourgeois republic devoted to free enterprise. Its Government is dominated by conservative business and agrarian interests.

The Communist Party has been outlawed in Turkey and is illegal in Portugal. There are seven Communist deputies in the lower house of the Swiss Legislature. In the upper chamber there is none. The three most prosperous nations in the Marshall plan group are not merely non-Communist but anti-Socialist.

#### TURKS DENY SOLVENCY

Portugal has served notice that it will require no financial help under the European recovery program, and will extend credits to member nations purchasing its exports. Switzerland has asked no monetary aid and is expected to request none. It has granted credits of \$145,000,000 to the United Kingdom, France, Belgium, Luxembourg, the Netherlands, and Norway. Its standard of living is the highest on the Continent. The only currency in the world against which the dollar sells at a discount on the open market is the Swiss franc.

Turkey is accused of solvency by the United States, but has repelled the charge with indignation. Its circumstances would be flourishing, acknowledgment is made, if the Government were not compelled to devote half its budget to military defense. During the war 600,000 troops were maintained under arms. By geographical position, Turkey is custodian of the Dardanelles and next-door neighbor to the Soviet Union. On top of that, its principal treasury holdings are pounds sterling, which are no longer convertible into dollars. The State Department hopes, nevertheless, that Turkey will be able to offer moderate credits to some of the participating countries.

No cash outlays are earmarked for Switzerland, Portugal, and Turkey under tentative proposals for the distribution of Marshall plan funds during the first 15 months. Compared with the over-all estimate of \$6,800,000,000, allotments for the five countries rated as enjoying fair recovery are bagatelles—Sweden, \$33,000,000; Norway, \$34,000,000; Denmark, \$164,000,000; and Belgium-Luxembourg, \$323,000,000.

#### BELGIUM MOST PROSPEROUS

A neutral and profit-taker during the war, Sweden has a stable government, unendangered by domestic Communists. Its chief difficulty, which a few millions will counteract, is imputed here to unwise fiscal measures which depleted its hard currency assets in a giddily brief period. Under Nazi occupation, the four other countries of this group were treated with studied benevolence. Their industrial and agricultural facilities emerged almost intact. Norway, the worst sufferer, lost half of its merchant fleet, a key factor in its economy, but the ships are being replaced.

All of these countries, except Luxembourg, have already driven production beyond pre-war levels. With 1938 taken as basic, the 1947 percentages for Denmark, Norway, and Sweden were respectively, 133, 117, and 125. The figures for Belgian textile and iron-steel output were 108 and 110. With ample food and light goods, Luxembourg is known as the consumers' paradise.

The most prosperous of the group is Belgium. Unlike Britain, France, and the Netherlands, it has experienced no colony trouble. The Belgian Congo supplies the

mother country with gold and uranium, for the latter of which there is a bottomless dollar market. Unlike many other European currencies, the Belgian franc's depreciation has not been too drastic. It was valued formerly at a bit more than 3 cents. The official rate is now 2.3 cents.

#### HOLLAND HARD HIT

The fact that all these countries are constitutional monarchies may have some bearing on their undoubted political security. Belgium, Norway, Sweden, and Denmark are kingdoms. Luxembourg is a grand duchy. All are ruled by strong right-wing Socialist coalitions, with mere fringes of opposition at extreme left and right.

On descending to the third group, the circumstances of which are listed as difficult, one encounters in the Netherlands the first case of severe war damage, and in Iceland the first important Communist influence.

Of all the countries in western Europe, Holland was most ruthlessly despoiled by the Nazis, in reprisal against its indomitable underground. The country has since lost its great German market and its income from the rubber plantations and tin mines of the Dutch East Indies. The initial Marshall plan allotment for the Netherlands is \$705,000,000, fifth highest in the scale. Holland and Britain are today the foremost exemplars of the policy of salvation through austerity.

According to the formula outlined above, Ireland should rank in prosperity with Switzerland, Portugal, and Turkey. It underwent no war damage and has few if any Communists. But the Emerald Isle is nothing if not paradoxical. Politically it is hostile to England. Yet Ireland's economy is bound directly to the British treasury. The fate of the Irish pound is tied to that of the pound sterling. England's restrictions on imports have worked havoc with Ireland's market. Its first Marshall plan quota is \$152,000,000.

#### FOURTH GROUP THE PROBLEM

Iceland also experienced no war damage. But its government of merchants, farmers, and Socialist workmen is confronted by strong Communist opposition. Using the familiar tactic of boring into labor unions, the Communists of Iceland, though ousted from the government, exert a power out of ratio to their number. American troops stationed in Iceland during the war left it overflowing with money but without sufficient goods for which to spend it. The result is an acute attack of inflation. Only its small population of 133,000 limits the island's first Marshall plan allotment to \$13,000,000.

With the fourth group of countries, the status of which is rated as poor, one arrives at the heart of the foreign-aid problem. The United Kingdom, France, and Italy are slated to receive nearly two-thirds of Marshall plan funds. Without them over-all estimates for the first 15 months would be only \$2,800,000,000.

France suffered widespread physical damage from the war. In Italy it was grievous. Both are notoriously unstable in politics. They possess the largest Communist parties outside Russia. Great Britain, on the contrary, is politically sound and is menaced by no Communist coup from within. But it was a war victim on a colossal scale, particularly in the theater of finance.

#### UNITED KINGDOM DOWN FOR LION'S SHARE

Britain's trade recovery may be described as phenomenal under the circumstances, but its precarious financial position was shown by the truth that last year its adverse foreign balance reached an all-time high of \$2,400,000,000. The cause of this giant deficit may be stated in simple terms. Britain draws 42 percent of its imports from the two American Continents, and sends only 14 percent of its exports to Canada, the United States, and Latin America. In other words, it is com-

pelled to buy in hard-money countries and sell in soft-currency ones—and that at a moment when its gold and dollar resources are well-nigh bankrupt.

For the above reasons American observers regard Britain's restoration to be the most arduous of all foreign-aid problems, not excluding Germany, and the one most likely to remain chronic. On that account Britain's quota for the first 15 months of the Marshall plan is a lion's share of \$1,760,000,000, or about one-fourth of the whole.

France has one capital advantage over most of the Paris Conference countries. Normally it is close to self-sufficiency in production of food. But from one of the best-fed nations in the world it has become one of the worst—owing in part to political turbulence growing from the fact that the French Communist Party has been impressed as chief spearhead of Russian aggression in western Europe.

Other factors in the national plight were wholesale looting by the Nazis, grave war damage, bad weather, shortage of labor, raw materials, and fertilizers, and in particular a steep rise of foreign-trade deficits which compelled France to liquidate \$2,000,000,000 of its capital resources. It has already obtained \$2,026,000,000 in credits from the United States, and is to receive \$1,434,000,000 more as its first Marshall plan allotment.

#### TRIBUTE TO FRENCH COURAGE

In view of these difficulties, there is a tribute to French courage and steadfastness in an official report that the general index of industrial production rose in 1947 to 102 percent of the prewar level. In some fields—such as electricity, the metalworking, and glass industries and chemicals—the figures of increase ranged from 101 to 130. This was offset by a decline of consumer-goods output and so low a production of food that only American help averted catastrophe.

Despite tribulations worse than those of France, Italy managed by desperate effort to push its industrial production up to 80 percent of the 1938 level during the third quarter of 1947. But the record was struck down by strikes fomented by Communists in obedience to Moscow's command that the recovery program must be wrecked. Like France, Italy is plagued by shortage of raw materials and fuel, decline of food output and foreign-trade deficits. It bears the added burden of excessive overpopulation. The initial Marshall plan estimate for Italy is \$869,000,000.

After allowance for bomb damage, the war left western Germany with an operable industrial plant greater than that of 1936. Daily coal production in the Ruhr-Aachen district rose from 158,000 tons in 1946 to 270,000 tons in November 1947. With factories, manpower, and skills at hand, the industrial restoration of western Germany is regarded as thoroughly practicable. But to get on its feet the area requires large-scale supplies of food and raw materials, a responsible currency and stable government.

#### LOWEST ON THE SCALE

Western Germany, Greece, and Austria, lowest in the scale of well-being and the most depressed economies in Europe, exhibit to an extreme the components of disaster. All are subject to intensive Communist pressure, which in Greece has mounted to civil war. Germany and Greece underwent fearful war devastation. Eastern Austria has been mercilessly plundered by the Soviets. The Government of Greece is dubious; Germany and Austria are distracted by warring occupation regimes.

It is reckoned that Austria, if let alone, would be steady politically and develop a sound economy. Western Germany is held capable of industrial output that in time would balance its imports of food and materials. But recovery for Greece, always the neediest country in Europe, is expected to be

a long and difficult process. Fifteen-month quotas under the Marshall plan are as follows: Western Germany, including the French zone and Saar, \$1,005,500,000; Greece, \$186,000,000, and Austria, \$182,000,000.

To sum up, three of the Marshall plan countries require no more than allocations of imports, for which they can pay. Eight need only marginal assistance. The next three, which were formerly great powers, have struggled valiantly to climb erect, but will demand strong support for several years until they are able once more to walk alone. Western Germany, Austria, and Greece range from tragic to all but hopeless.

Mr. HOLLAND. Mr. President, will the Senator yield to me?

Mr. WHERRY. I yield.

Mr. HOLLAND. I have read with a great deal of interest the article to which the Senator has adverted, but I came to a completely different conclusion from the one which he seems to have reached.

Mr. WHERRY. Whom does the Senator mean; the writer or me?

Mr. HOLLAND. If the Senator will let me make my statement—

Mr. WHERRY. I have the floor.

Mr. HOLLAND. The Senator yielded to me.

Mr. WHERRY. I yield to the Senator, but I ask the Senator a question. The Senator made the statement that he came to an entirely different conclusion "than he." If the Senator means me, I did not come to any conclusion. I simply inserted the article in the RECORD.

Mr. HOLLAND. I was trying to ask a question. Apparently the Senator wants to ask me a question, which I shall be perfectly glad to answer. But I was going to ask the Senator a question. The conclusion which I reached from reading the article was that the writer made a very fine case for the possibility of mutual help among the nations of western Europe, because he divided them into four classifications, saying that the first or most favorable groups were in splendid shape, and so on down the line to the least favorable situation, showing that there was ample room for self-help or mutual help amongst the nations of Europe. It seems to me that the classification in that article made a powerful case for mutual help amongst the nations. I was going to ask the Senator if he had considered the article from the standpoint that there was a real chance for some of the nations of western Europe materially to help others of them if they chose to come in mutually under the terms of the pending measure?

Mr. WHERRY. Mr. President, the article speaks for itself. I simply had it inserted in the RECORD for the information it contains. I did not insert it in the RECORD with the idea that I would come to any of the conclusions arrived at by the distinguished writer. I think it helped me to understand the situation as the writer presented it, and I thought it was certainly a worth-while article which it would be interesting to all Senators to read. I still think it is very interesting, and I know that it brought facts to my attention which should be discussed. I thought it was a very fine article.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. WHERRY. I yield.

XCIV—147

Mr. HOLLAND. The purpose of my remark and my question was this: I understood the distinguished Senator to state—and I think he did state, and I think the RECORD will show that he stated—that a reading of the article brought to his attention the fact that some of the nations did not need help. In my question and in my remarks I was trying to ask the distinguished Senator if the article did not make clear to him, as it did to me, that there was an opportunity for the giving of mutual aid among the nations of western Europe. It seems to me that the article made very clear the point that great help could be extended by some of the nations of western Europe which are in favorable financial circumstances, to some other nations which are not, thus supporting the approach in the measure which is being debated.

Mr. WHERRY. No doubt that interpretation is possible.

Mr. HOLLAND. I am glad that the Senator agrees that that interpretation is a reasonable interpretation to place on the article.

Mr. WHERRY. In order that I may not be misunderstood, I will say that that is an interpretation which one could get from the article.

Mr. HOLLAND. I thank the Senator.

#### MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 2161) to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase the oil resources of the Nation, and for other purposes," approved April 5, 1944 (58 Stat. 190), and it was signed by the President pro tempore.

#### RECESS

Mr. WHERRY. Mr. President, it is my understanding that an order was agreed to that when the Senate convenes tomorrow the distinguished Senator from North Dakota [Mr. LANGER] shall have the floor.

The PRESIDING OFFICER. The Senator from North Dakota obtained a unanimous-consent agreement to that effect.

Mr. WHERRY. If the Senate has concluded its work for this afternoon, I now move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to and (at 5 o'clock and 21 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, March 9, 1948, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate March 8 (legislative day of February 2), 1948:

##### HOME LOAN BANK BOARD

Oscar Kent La Roque, of North Carolina, to be a member of the Home Loan Bank Board for the remainder of the term expiring June 30, 1949.

#### DISTRICT COURT OF THE VIRGIN ISLANDS

Hon. Herman E. Moore, of Illinois, to be judge of the District Court of the Virgin Islands of the United States. (Judge Moore is now serving in this post under an appointment which expired February 10, 1948.)

#### IN THE ARMY

##### APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

##### To be major generals

Maj. Gen. John Taylor Lewis, O7000, Army of the United States (colonel, U. S. Army.)

Maj. Gen. George Price Hays, O7149, Army of the United States (colonel, U. S. Army.)

##### To be brigadier generals

Col. William Lynn Roberts, O3597, United States Army.

Col. Vernon Edwin Prichard, O3882, United States Army.

Col. Paul Vincent Kane, O4452, United States Army.

Col. Julian Wallace Cunningham, O4922, United States Army.

Col. Rex Webb Beasley, O5246, United States Army.

Col. John Lloyd McKee, O5613, United States Army.

#### IN THE AIR FORCE

##### PROMOTIONS IN THE UNITED STATES AIR FORCE

##### To be first lieutenants

First Lt. Joseph Cary Wheeler, AO50326, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 1, 1948.

Capt. Jack David Elliott, AO56455, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 1, 1948.

First Lt. Henry Simon, AO50325, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 1, 1948.

First Lt. Hubert Dale Ehrlich, AO50329, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 2, 1948.

First Lt. Robert Anderson Gambell, AO38437, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 2, 1948.

Capt. James Anthony DeYonker, AO56456, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 3, 1948.

First Lt. David Wallace Wicks, AO56458, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 4, 1948.

Second Lt. Edward Joseph Saylor, AO56457, United States Air Force, with rank from March 4, 1948.

First Lt. Richard Keith Brown, AO50331, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 5, 1948.

First Lt. Robert Benire McMurray, AO38445, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 5, 1948.

First Lt. Ruffin Walker Gray, AO38421, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 6, 1948.

Capt. Edward Patrick McNeff, AO56459, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 7, 1948.

Second Lt. Cornell Robert Christenson, AO50332, United States Air Force, with rank from March 7, 1948.

Capt. Charles William Getz 3d, AO56461, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 8, 1948.

First Lt. Herbert Leroy Pickett, AO56460, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 8, 1948.

Second Lt. Jack Allen Robinson, AO50333, United States Air Force, with rank from March 8, 1948.

Capt. Werner George Goering, AO38425, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. William Ralph Wright, AO50335, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Russell James McElroy, AO56462, Air Force of the United States (second lieutenant, U. S. Air Force) with rank from March 11, 1948.

Second Lt. William Murray McDonald, AO50336, United States Air Force, with rank from March 11, 1948.

First Lt. Thomas Lowell Huddleston, AO56463, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Aubrey Clinton Adcock, Jr., AO56464, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Philip Fetler, AO50337, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. John Henry Griffin, AO56465, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Donald Gordon Shirley, AO56466, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

First Lt. Calvin Gilbert Bass, AO50338, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

Second Lt. Orin Emsley Nutting, AO50339, United States Air Force, with rank from March 11, 1948.

Second Lt. John Francis Jamieson, AO38424, United States Air Force, with rank from March 11, 1948.

Second Lt. Edward John Kinney, AO56467, United States Air Force, with rank from March 11, 1948.

Second Lt. Alvin Glenn Kouts, AO56468, United States Air Force, with rank from March 11, 1948.

First Lt. Denis Ray Edwards, AO56469, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 11, 1948.

Second Lt. Harry George Skinner, AO56470, United States Air Force, with rank from March 11, 1948.

Second Lt. Charles Eugene Daly, AO56471, United States Air Force, with rank from March 11, 1948.

Second Lt. Charles Brandon Gresham, AO50340, United States Air Force, with rank from March 11, 1948.

Second Lt. John Patrick Gaffney, AO50334, United States Air Force, with rank from March 11, 1948.

First Lt. William Francis Sullivan, AO50341, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 13, 1948.

First Lt. Anthony Benedict Gallo, AO56472, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 13, 1948.

Second Lt. Curtis Lloyd Utterback, AO56474, United States Air Force, with rank from March 13, 1948.

Second Lt. John Edwin Smith, AO56473, United States Air Force, with rank from March 13, 1948.

First Lt. Donald Jack Seed, AO38426, Air Force of the United States (second lieutenant, U. S. Air Force) with rank from March 14, 1948.

First Lt. Willard Wendell Yockey, AO56475, Air Force of the United States (second lieu-

tenant, U. S. Air Force), with rank from March 15, 1948.

First Lt. Duke Cameron Horner, AO56476, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 16, 1948.

First Lt. Ernest James Ticknor, AO38428, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 17, 1948.

First Lt. Arthur Milton Gray, AO50344, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 17, 1948.

First Lt. Herbert Smith McKinney, AO38429, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 18, 1948.

Second Lt. Lonnie Otis Ratley, Jr., AO56477, United States Air Force, with rank from March 18, 1948.

Capt. James Roy Starnes, AO38431, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 19, 1948.

First Lt. Orville Ralph Gravelle, AO56479, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 20, 1948.

First Lt. Robert Francis Myers, AO38433, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 20, 1948.

First Lt. Vaughn E. Denning, AO56478, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 20, 1948.

First Lt. Frank Floyd Cannon, AO56480, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 21, 1948.

First Lt. Michael John Nisos, AO41321, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 22, 1948.

First Lt. John Robert Stoner, AO38434, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 23, 1948.

First Lt. Rex Kirkland Stoner, Jr., AO38435, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 23, 1948.

First Lt. Paul Pearson Taylor, AO56482, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 23, 1948.

Second Lt. George Villard Frost, AO56481, United States Air Force, with rank from March 23, 1948.

Capt. James Thomas Weldon, AO38436, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 26, 1948.

First Lt. Howard Alexander Courtney, AO50348, Air Force of the United States (second lieutenant, U. S. Air Force), with rank from March 30, 1948.

Second Lt. John Kessler, Jr., AO56485, United States Air Force, with rank from March 31, 1948.

Second Lt. Forrest Richard Miller, AO50349, United States Air Force, with rank from March 31, 1948.

#### IN THE NAVY

The following-named officers for appointment in the Supply Corps of the Navy in the grades hereinafter stated:

#### LIEUTENANTS

Thomas G. Lewis  
Jack W. Welty

#### LIEUTENANTS (JUNIOR GRADE)

James W. Herb  
Herbert F. Mills, Jr.

#### ENSIGNS

James H. Forbes, Jr.  
Albert P. MacDonald, Jr.  
Robert A. Weir

#### WITHDRAWALS

Executive nominations withdrawn from the Senate March 8 (legislative day of February 2), 1948:

#### POSTMASTERS

Mrs. Gertrude F. Foster to be postmaster at Whitney, in the State of South Carolina.  
Donald L. Vance to be postmaster at Fairview, in the State of Utah.

Mrs. Pauline B. Hatfield to be postmaster at Hurley, in the State of Virginia.

Daniel B. Killion to be postmaster at Bryn Mawr, in the State of Washington.

## HOUSE OF REPRESENTATIVES

MONDAY, MARCH 8, 1948

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O great is the depth of the mercy and wisdom of our God; Thy holy name is greatly to be praised. Help us to learn from Thee the way and to write Thy law in all our hearts.

We ask Thee, dear Lord, to grant unto us such calm and measured insight that we shall admit the light of truth and understanding, and thus bring us in closer relationship with Thee and our fellow men, bearing the yoke of service with steadfastness.

As we wait in the holy hush of Thy presence, O speak to us in the spirit of wisdom; preserve us from vacillation and from unwise and empty decisions. Grant that our Republic may more and more be the torch bearer to all lands.

In the spirit of Him whom heaven and earth adore. Amen.

The Journal of the proceedings of Friday, March 5, 1948, was read and approved.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Miller, one of his secretaries, who also informed the House that on March 5, 1948, the President approved and signed a bill and joint resolution of the House of the following titles:

H. R. 2159. An act to authorize the Secretary of the Interior to prepare plans and estimates for a sewage-disposal system to serve the Yorktown area of the Colonial National Historical Park, Va., and for other purposes; and

H. J. Res. 61. Joint resolution to provide for the designation of the Park River Dam and Reservoir project in Walsh County, N. Dak., as the Homme Reservoir and Dam.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 2161. An act to amend the act entitled "An act authorizing the construction and operation of demonstration plants to produce synthetic liquid fuels from coal, oil shale, agricultural and forestry products, and other substances, in order to aid the prosecution of the war, to conserve and increase